## Executive Summary

*"Branding via Viral marketing on Facebook."*

The Internet has become an often used tool of advertising in companies' attempt to connect more directly with consumers. As the Internet continues to grow, opportunities to advertise through this medium are ever evolving and companies are continuing to find new ways to target the market. We have written this thesis on the basis of an interest in advertising through social networking sites, as these sites have become immensely popular within the last few years, and therefore may become a new medium for advertising. Our focus has been on viral marketing and more specifically on how Pebas, a soft drink manufacturer, can promote their Grønne Gaarden organic soda through the social networking site, Facebook.

The central research problem of this thesis has been: **How can an analytical framework for advertising via branding through viral marketing on Facebook be developed by use of a composition of existing theoretical elements? And, with this analytical framework in mind, what is the most effective way for Pebas to start advertising on Facebook?**

In using viral marketing as a means of advertising, we believe that Pebas easily and inexpensive can reach a large part of the target group, which is women 20+, as a viral marketing message almost always will be doubled, if not more, each time it is sent forward. Furthermore, implementing a viral marketing strategy does not have to be a great expense to the company.

In our research on viral marketing we found other theoretical elements, such as branding, marketing communication and consumer behaviour, to be of importance, and on the basis of these elements, combined with the theory behind viral marketing, we have developed a theoretical framework to answer our research question. Moreover, we looked at the promotional material that Pebas, have used to promote other products. With this promotional material in mind we have aimed at integrating the advertisement for the new

soda within the existing material which we advise to use in a viral marketing strategy on Facebook.

The advertising that we have envisioned for Pebas is a video in the form of a comic strip. This video is to be uploaded to YouTube from where viewers can download and share it through Facebook. The choice of usins a comic strip has been made on the basis of Pebas' limited advertising budget as well as an effort to integrate the advertisement as much within the existing promotional material for other Grønne Gaarden products. On the basis of this and on the chosen target group we have identified values that shall be illustrated in the comic strip in order for it to be relatable for the target group. Humour has played a major factor in Pebas' current advertising and we further believe this to be an often used tactic in creating a viral marketing campaign. The premise of the comic strip is to set a scene that the target group can relate to in an attempt to get them to forward the comic strip to Friends on Facebook, who will then again forward it to more Friends; thereby virally passing on the message.

## 1.0 Introduction

Today's world is characterised by technological developments, where companies have the opportunity to reach consumers, through many different kinds of media. The Internet has become a frequently used tool for advertising in companies' attempts to connect more directly with consumers. As the Internet continues to grow, opportunities to advertise through this medium are ever evolving and companies are continuing to find new ways to target the market.

> *"The Internet is the fastest growing medium of all times and […]As consumers move online, so do advertisers. (Dahlén, 2001: p. 17)*

Even though the citation above is from 2001, we have found no indication in the existing literature that the Internet has become less important in the last few years. Moreover, the Internet seems to be an integrated part of most consumers' everyday life, as we now also have the opportunity to access the Internet through the use of most new cellular phones. Another factor that indicates our increasing use of the Internet, is that wireless Internet is becoming more and more popular, which means that our Internet time is no longer restricted to the time we spend at our desks, it has now expanded to the time we spend almost anywhere, as long as we have either our cellular phones or our mobile broadband, which is a relatively new feature that we know at least two Danish companies provide - Telia and 3.[1] This allows the consumer to constantly be connected to the Internet no matter where he or she is located.

These advancements in technology have opened up huge opportunities for companies to appeal to a much larger market than ever before. The aspect of technological development, and the impact this can have on a company's marketing opportunities, is one we find very interesting. We see more and more companies using the Internet as a means of marketing and promoting themselves or a specific brand, which has made us think of the possibilities that a marketer has today when using the Internet in the right way.

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[1] http://www.telia.dk/erhverv/produkter/mobiltbredbaand/

One of the more prominent advertising tools used on the Internet is banner ads, which we all have come across from time to time. According to an article in BusinessWeek, November 12th, 2007, recent measurements have shown that *"The so-called click-through rate for* […] banner ads […] *on major Web destinations such as Yahoo! Microsoft and AOL declined from 0.75% to 0.27% during 2006*[…]*"*[2] These numbers were purchased by BusinessWeek from Eyeblaster, which is an online advertising servicing and monitoring firm that measures the effectiveness of advertising[3].

This decline in the click-through rate of some banner ads shows us that this form of advertising may not be as effective as first anticipated, when they were introduced to the World Wide Web in 1994[4] where

> *"banner advertisement was one of the primer methods for online marketing*[…]*Today, things are totally different! Over-use of banners on the web pages forced users to train their eyes not to notice banners any more. Visitors tend to avoid clicking through the banners unless they see a very compelling reason to do so."*[5]

This citation from 2005 further documents research done by Micael Dahlén in 2001 where he suggests that the response for banner advertising differs, depending on whether the advertisement is for high or low involvement products. Dahlén points out that consumers would be more inclined to click on a banner ad for a high involvement product, as the consumer would wish to search for more information on a product that demands more interaction, than he or she would on a product that is regularly purchased, such as, for example, fast moving consumer goods (Dahlén, 2001).

This suggests that marketers have been forced to think of new ways to promote themselves and their products online - products that are not of a high involvement character. As banner advertisement is ever present online, marketers need to get the attention of the consumers by use of new and more appealing advertisement. Advertisers need to overcome the hurdle, that many consumers do not even notice some forms of online advertisement, as mentioned

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[2]http://proquest.umi.com.zorac.aub.aau.dk/pqdlink?index=59&did=1379405271&SrchMode=3&sid=1&Fmt=3&VInst=PROD&VType=PQD&RQT=309&VName=PQD&TS=1210760809&clientId=11561&aid=1
[3] Ibid.
[4]:http://www.clickz.com/showPage.html?page=3430381
[5] http://www.user-groups.net/articles/banner_ads.html

above. This, we feel, has resulted in marketers being forced to create more appealing advertisements and subsequently, displaying these advertisements in a different manner than before.

One of the new means of advertising that we find particular interesting is video advertisements, which for example, can be placed on www.YouTube.com. YouTube is a website where people can upload videos and share them with outer users. This method is one that has surfaced within the last few years. On YouTube it is possible for companies as well as private individuals to share videos with other Internet users around the world. Furthermore, it is used to advertise products in a more interesting and thought-provoking manner. Further *"Interactive video advertising is one of the fastest-growing interactive sectors".*[6]

One of the reasons why video advertising is becoming a more prominent used tool within online advertising could be because of the fast evolving social networking sites that have emerged within the last couple of years. One of these social networking sites is Facebook, which currently has over 66 million active users.[7] When using Facebook, it is possible to download videos from YouTube, and then send them to all of your Friends, and if the recipient finds these videos appealing, he or she will most likely send them forward to all of his or her Friends, thereby passing the video on to a large consumer base. As for the intended message of the video, there is no guarantee that this will be understood by all of the recipients, but what we believe is more the aim with this form of advertising is creating awareness and reaching as wide a market as possible.

Advertising done this way is termed 'viral marketing', which has been referred to as 'word of mouse', stemming from word of mouth (Dr. R. Wilson, Web Marketing Today, 2000). Viral marketing is used when a company wants to make a somewhat low-priced advertisement, but still wants to expose this to as large an audience as possible. The advertisement will be sent to individuals with the intentions to create an interest, most often using humour and thereby making the individual send the message on to several friends (Dr. R. Wilson, Web Marketing Today, 2000). In short, viral marketing is the process of spreading a message to as

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[6] http://clickz.com/showPage.html?page=experts/ad/online_video
[7] http://www.facebook.com/press/info.php?statistics

wide an audience as possible, as quickly as possible. However, in an edition of 'Marketing Week: Interactive' from August 2006, an article states that however popular these aforementioned social sites have become within the last couple of years, there is no great consensus among marketers about how best to advertise on these (Marketing week: Interactive, 2006). However, we still believe that these social networking sites provide an opportunity for advertising and further, an article in Marketing Week from January, 2008 states that *"The battle of the new online generation's pound is set to be fought in the aisles of social media. Brands that shun the opportunity to get involved, or try to hard sell and alienate the communities they are seeking to access, could miss out on millions."*(Walker, Marketing Week, 2008)

To sum up this introduction to our theses, we find it interesting to focus on viral marketing, more specifically on how a company can promote itself or a specific brand through the fast moving social networking site, Facebook. We want to look at how Pebas, a soft drink manufacturer can start promoting a newly introduced product on Facebook, as this is a medium they have not yet used for advertising (appendix 1, question 18)

These observations and a general interest in the topic has led us to the following research **question:**

## 1.1 Research Question

**How can an analytical framework for advertising via branding through viral marketing on Facebook be developed by use of a composition of existing theoretical elements? And, with this analytical framework in mind, what is the most effective way for Pebas to start advertising on Facebook?**

## 2.0 The Second Generation of the Internet

Viral marketing has been made possible by the phenomenon termed Web 2.0 which, in short, is the second generation of the Internet. In the following paragraphs we will present the reader with an outline of the term Web 2.0 and thereafter present a short definition of what social networking sites are. Moreover, we will specifically present the reader with an introduction of Facebook, which is the social networking site that we have chosen as the basis of this thesis.

### 2.1 Web 2.0

This paragraph will be taking its point of departure in Tim O'Reilly's definition of Web 2.0. Tim O'Reilly is the founder of O'Reilly media and is widely credited for identifying the term Web 2.0. [8] Furthermore, we will be using the Danish site 'Kommunikations forum' where highly qualified people from the Danish Universities write about interesting topics within communication.[9]

The term 'Web 2.0' emerged in a conference brainstorming between O'Reilly and 'MediaLive International'[10]. They agreed that a turning point was occurring within the Internet, and that something should be done for companies to stay 'alive' on the Internet. The companies that would survive were the companies that had gone with the flow of the Internet. Still the term 'Web 2.0' is argued to be a meaningless marketing 'buzzword' or new conventional wisdom.[11] Of course, O'Reilly believes it to be academic wisdom and in this thesis we will be using the term not as yet another 'buzzword', but rather a qualified term within the Internet. For many years the Internet has been referred to as 'cyberspace', which has been used as a database consisting of websites and emails used to exchange information between individuals. Web 2.0 has been defined as:

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[8] http://www.oreillynet.com/pub/a/oreilly/tim/news/2005/09/30/what-is-web-20.html
[9] http://www.kommunikationsforum.dk/default.asp?id=8
[10] MediaLive International produces information technology tradeshows and conferences.
[11] http://www.oreillynet.com/pub/a/oreilly/tim/news/2005/09/30/what-is-web-20.html

*"Et nyt web bestående af sociale medier er igennem de sidste par år vokset frem med enorm hastighed; et nyt web, hvor relationer mellem mennesker, og ikke indhold, står i centrum."*(J. Bindslev & J. Frode, Kommunikationsforum, 2006)

This new Internet consists of social media, where relationships between individuals are centred. Today, companies and private individuals use the Internet as a medium from where they can create contact to the intended consumer, friend or colleagues (J. Bindslev & J. Frode, Kommunikationsforum, 2006).

One of the highly used forms of media within Web 2.0 is corporate blogging. This new communication method helps companies create a relationship between individuals interested in a specific company. The biggest difference from the 'old' Internet is that Web 2.0 is used to create relations between people and not computers and systems, as the Internet was a few years ago (J. Bindslev & J. Frode, Kommunikationsforum, 2006).

When using Web 2.0, the reader and writer role is mixed and the sender-receiver model is no longer applicable, as everyone can become the writer and give their opinion. This possibility creates a smaller control within marketing, because companies can no longer control the market as they used to. Now the customers are able to express their opinions about products and companies on the Internet, and ask others about their opinion. This will not always be positive and can therefore ruin the reputation of the company or a product (J. Bindslev & J. Frode, Kommunikationsforum, 2006).

The possibilities within Web 2.0 that are relevant for this thesis are the specific forums where consumers can send forward advertising to Friends.

## 2.2 Social Networking Sites

The following paragraph will aim to briefly outline the term social networking sites in order for the reader to get an initial understanding of what this widely used term entails. Following this, Facebook will be presented as the social networking site this thesis will focus upon.

The paragraph on social networking sites will mainly be based upon an article from an online version of the Journal of Computer-Mediated Communication from 2007, unless

otherwise referenced.[12] This article is written by Danah M. Boyd, PhD candidate in the school of information at the University of California-Berkeley and Nicole B. Ellison, assistant professor in the Department of Telecommunications, Information Studies, and Media at Michigan State University.

> *"Social-networking sites and blogs have come from nowhere to being among the most talked about aspects of the internet in just two years. The larger sites have tens of millions users[…]"* (Marketing Week:Interactive, August 2006: p. 35).

This citation states how the development and emergence of these social networking sites have happened in a relatively short time. We believe that these sites have now reached a point where a large number of the population worldwide have either heard of or directly interacted with these social networking sites, which has made them a term which is widely recognised and known by many different peoples.

One definition of what social networking sites are stems from an article in the Journal of Computer-Mediated Communication and goes as follows:

> *"We define social network sites as web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system. The nature and nomenclature of these connections may vary from site to site."*[13]

As mentioned, these different social networking sites all differ in what features they offer, but one common thread seems to be the user's ability to add Friends[14] to one's 'Friendlist'. The act of adding these Friends can have various terms from site to site, but the act itself is more or less the same. The article cited above also states that what makes these social networking sites special is not so much the opportunity to meet strangers, but rather that

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[12] http://jcmc.indiana.edu/vol13/issue1/boyd.ellison.html
[13] Ibid.
[14] We have chosen to write Friends with a capital F to differentiate the word from the more common use of the word friends.

users are able to show other users who they are Friends with. In addition to this, users are able to see who their Friends are Friends with, which enable the users to possibly get more Friends to add to their Friendlist.[15]

In addition to being able to add Friends onto one's profile, the backbone of these social networking sites consists of a visible profile that shows the information that the users themselves have chosen to put onto it, and also often a profile picture so that prospective Friends can visibly see them. Besides this, users on different social networking sites often have the possibility of making their profile more personalised by adding different applications, photo albums and the likes onto their profile.[16]

Another aspect of social networking sites worth mentioning is that *"most sites support the maintenance of pre-existing social networks but others help strangers connect based on shared interests, political views, or activities. Some sites cater to diverse audiences, while others attract people based on common language or shared racial, sexual, religious, or nationality-based identities"*.[17] This point of differentiation gives marketers an opportunity to target their message to a very specific potential consumer base, which seems like an ideal situation for companies.

To sum up, social networking sites are online-places where users can create a profile and show to other users who their Friends are. It is also a potential place to meet new people, but as mentioned above, the tendency seems to be that these sites are a way of maintaining a connection with people who are already in the user's life in one way or another. Furthermore, it is also a place where users can share interests with other users. In the following paragraph, the social networking site Facebook will be presented.

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[15] http://jcmc.indiana.edu/vol13/issue1/boyd.ellison.hml
[16] Ibid.
[17] Ibid.

**2.2.1 Facebook**

This following paragraph will clarify the term 'Facebook' so that the reader gets an understanding of what this social networking site is. Furthermore, this paragraph will sum up the short, however fast evolving, history of Facebook, and put forward some statistics of how many users the network has, and how its user base has developed over its relatively short lifespan.

Facebook was founded by Mark Zuckerberg and launched in February 2004, originally meant only as a social networking site for students at Harvard College, where he himself attended at the time. Quickly after its launch, Facebook expanded its user base by allowing different Ivy League colleges around the United States to join Facebook as well. Shortly after this, anyone around the world who had a university email address was eligible to join, and on September 11, 2006 anyone in the world was allowed to join, provided that they were over the age of 13.[18]

> *"Facebook is a social utility that connects people with friends and others who work, study and live around them. People use Facebook to keep up with friends, upload an unlimited number of photos, share links and videos, and learn more about the people they meet."[19]*

The citation above is what Facebook itself claims the website is, and can be used for. It is our belief that one of Facebook's attractions is the fact that you can search for 'old' friends that you knew years ago, or that you maybe met abroad. Friends that you do not necessarily need to speak with on a daily, weekly or even monthly basis, but, nevertheless, people that you would like to keep in your network for one reason or another. We believe that another attraction of Facebook is the possibility to meet new people with whom you share similar interests, which is possible through the many groups that exists on Facebook.

Since Facebook became available to the general public in September 2006, the website has enjoyed an explosive growth in its user base. According to Facebook's own latest statistics, it

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[18] http://en.wikipedia.org/wiki/Facebook#2007
[19] http://www.facebook.com/about.php

now has over 66 million active users worldwide,[20] whereas this number was 34 million in a September 2007 article in 'Computerworld'.[21] If these numbers are accurate, Facebook has enjoyed an increase of 32 million users in less than half a year, which is quite extraordinary and indeed hard to believe for some people. One way to verify these numbers could be to take a look at Facebook's Danish user base. According to Facebook, there are now approximately 394.537 Danish users,[22] whereas there were only just over 60.000 Danish users mid October 2007, which was documented in an article by 'TV2Øst' on October 14th 2007.[23] Furthermore, according to 'jp.dk', an article from July 4th 2007 quotes Facebook's spokesperson to the press, Meredith Chin, who a the time stated that Facebook had just over 9.000 active users in Denmark.[24] This shows how rapidly Facebook has grown in Denmark alone, which is one of the smallest countries in the world.

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[20] http://www.facebook.com/press/info.php?statistics
[21] http://www.infomedia.dk.zorac.aub.aau.dk/ms/GetArticleFull.aspx?outputFormat=Full&Duid=e0b41197
[22] http://www.facebook.com/networks/67109233/Denmark/
[23] http://www.tv2east.dk/article.php?id=25896
[24] http://jp.dk/arkiv/?id=997488&eceExpr=Facebook&eceArchive=o

## 3.0 Methodology

In this chapter, we will validate and explain our methodological point of departure, our choice of subject, the company Pebas, and why we have collected the data in the way we have, as well as describe the structure of this thesis. Our interest in branding through viral marketing on Facebook was developed through everyday observations, lectures at Aalborg University and a general interest in pursuing this field of study in the future. First we will explain our methodological considerations in connection with this thesis.

As humans, we are unconsciously driven by a paradigm which instinctively leads us in a certain methodological direction. Therefore, it is important to acknowledge the power of methodology. In order to achieve the best possible outcome, we, as researchers, need to make some conscious methodological choices to be aware of our working procedures as well as our overall aim of this thesis. Thus, it is essential to have a solid framework which the thesis can build upon (Andersen, 2002 and Abnor & Bjerke, 1997). The purpose of this chapter is to create such a framework.

### 3.1 Purpose of the Study

When producing knowledge, it is important to be aware of the aim of the study. If the researchers wish to find out how to best implement advertising on social networking sites for a certain organization, it does not make sense only to look at how other organizations have done this before, and alleviate taking into consideration the organization in question. Therefore, the overall purpose of the study has a decisive influence on what we examine, and how and why we examine it (Andersen, 2002). According to Andersen, there are five different categories of purposes within the social science. These are:

- Descriptive

- Explorative/problem-identifying/diagnostic

- Explaining/understanding

- Problem solving/normative

- Intervention oriented

This thesis falls under the category of the understanding/explaining purpose. In the understanding/explaining purpose, it is necessary to understand that there is a difference between understanding and explaining. Studies with an understanding purpose are anchored in humanities and the social sciences. Notions from literary history and cultural anthropology, such as interpretation, tradition, comprehensive pictures and symbols are often used in this kind of tradition. Typical research questions for studies with an understanding purpose could be 'why does he behave as he does?' or 'why has there in recent years been a tendency to vote more conservative in Europe?'. People, or phenomena, which are objects of studies, are seen as anchored in a cultural, social and historical connection. In the understanding study, focus is on developing new understandings and new interpretations. Studies with this purpose often take their starting point in psychological or social-psychological problems. The reason for this is that the understanding is connected to the psychological and social-pcychological notions of intention and meaning. Since society as a whole does not have intentions and meanings, these types of studies are interested in people and groups of people rather than society as such (Andersen, 2002). Studies with an explanatory aim are more interested in questions such as, for example, 'which x causes y?' and "which y is a consequence of x?". These types of investigations are often aimed at making generalisations. If these generalisations are verified, it is possible to use the study to make predictions. For example, if 'x' is presented then 'y' will also appear under certain conditions. If it is possible to predict things, it is also possible to change these things. Therefore, the explanatory studies are connected to prediction and change (Andersen, 2002). Therefore, with an understanding or an explaining purpose, the aim is intention and meaning, as well as prediction and change.

As mentioned, this thesis falls under the category of understanding/explaining, as we wish to create an understanding of how Pebas can promote their new product via viral marketing through Facebook. Furthermore, through existing theories and empirical data, we wish to examine what values Pebas should reflect and how that can be implemented in a viral marketing strategy.

Our main aim is not to explain in order to make definitive generalisations. It is possible that the results of this thesis may be transferable to other similar situations.

## 3.2 Scientific Paradigm

In the previous paragraph, our research purpose has been presented and just as the purpose of the study may influence the method used, so will the scientific paradigm. According to Arbner & Bjerke a paradigm:

> *"consists of a conception of reality (view of world), a conception of science, a scientific idea, and has an ethical/aesthetical aspect"* (Arbnor & Bjerke, 1997: p. 14)

The concept of reality has to do with philosophical ideas about how reality is constructed, whether reality exists in and of itself, or whether it is a social construction. Science has to do with the knowledge we have gained, for example, through education. Through knowledge, our concepts or beliefs about the objects and subjects we study are formed. The scientific idea is similar to Andersen's five different purposes of studies, as Arbnor & Bjerke state that the scientific idea is related to what the researchers wish to archive with the study (Arbnor & Bjerke, 1997). Finally, ethical and aesthetical aspects are related to what researchers claim is morally suitable or unsuitable, as well as what researchers claim to be beautiful or ugly. Ethics are, for example, related to the question of observing the personal behaviour of others without them knowing. Aesthetics is, for example, that well-constructed diagrams and graphs are ideals of beauty for some.

When paradigms are defined as above, they are usually not influenced by any major force of change. For example, it is not possible to constantly question the constitution of reality or our scientific opinion. The changes that do take place in paradigmatic matters are ultimately derived from the development of different philosophical schools (Arbnor & Bjerke, 1997).

## 3.3 Scientific Approach

In this thesis we have chosen to use an interpretive point of view, more specifically a hermeneutic point of view, because it allows our focus to be on understanding what is

happening in the context of our research topic, as opposed to having a predetermined mindset, like in positivism, where the researcher is independent and uses large samples to validate points. An interpretive point of view allows us to learn and be influenced by what we learn throughout the writing process (Carson et al., 2005). When using a hermeneutic approach the researcher searches for meaning and wishes to make explicit the meaningful aspects of reality. This gives the researcher an understanding of interpretive character (Arbnor & Bjerke, 1997). Hermeneutic researchers believe that the subjective opinions of individuals can be made objectively accessible (Arbnor & Bjerke, 1997). This means that based on a subjective opinion, the hermeneutic approach can make some general claims based on the research. This includes consideration of multiple realities, different actors' perspectives, researcher involvement, taking account of the contexts of the study and the understanding of the data (Carson et al., 2005). Flowingly, we will explain the hermeneutic circle, as we feel that the point behind the hermeneutic approach is best explained through this figure.

### 3.3.1 The Hermeneutic Circle

In the interpretation of meaningful phenomena we see a circular movement between the researcher and what he or she is analyzing – a circular movement between the researcher's sympathetic insight and distance to the objective of the research. In our case, this is the understanding of how the different theoretical aspects, which we have identified in connection to our research topic, intertwine. Our interpretation continually moves from a state of only understanding parts of the topic to understanding the topic as a whole. These parts of the whole, which we learn throughout the writing process, are learned on the basis of our understanding of the parts, also on the basis of our own understanding and our own bias. This interplay between the parts of the whole and the knowledge that is generated through research moves in a circular motion, where the understanding of one part continually leads to a new understanding of the whole through interpretation.[25] We thereby follow an approach to the hermeneutic circle that draws ourselves into the process as interpreters and as active contributors in the opinion-shaping. We do not seek to merely

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[25] www.teorier.dk/tekster/hermeneutik.php

understand our theoretical elements as they stand on their own, but aim to develop an understanding of this theory in relation to our research topic, and thereby understand these elements in connection to each other. This circular movement is illustrated as:

Our initial
understanding

Etc.

New understanding

New knowledge

New knowledge
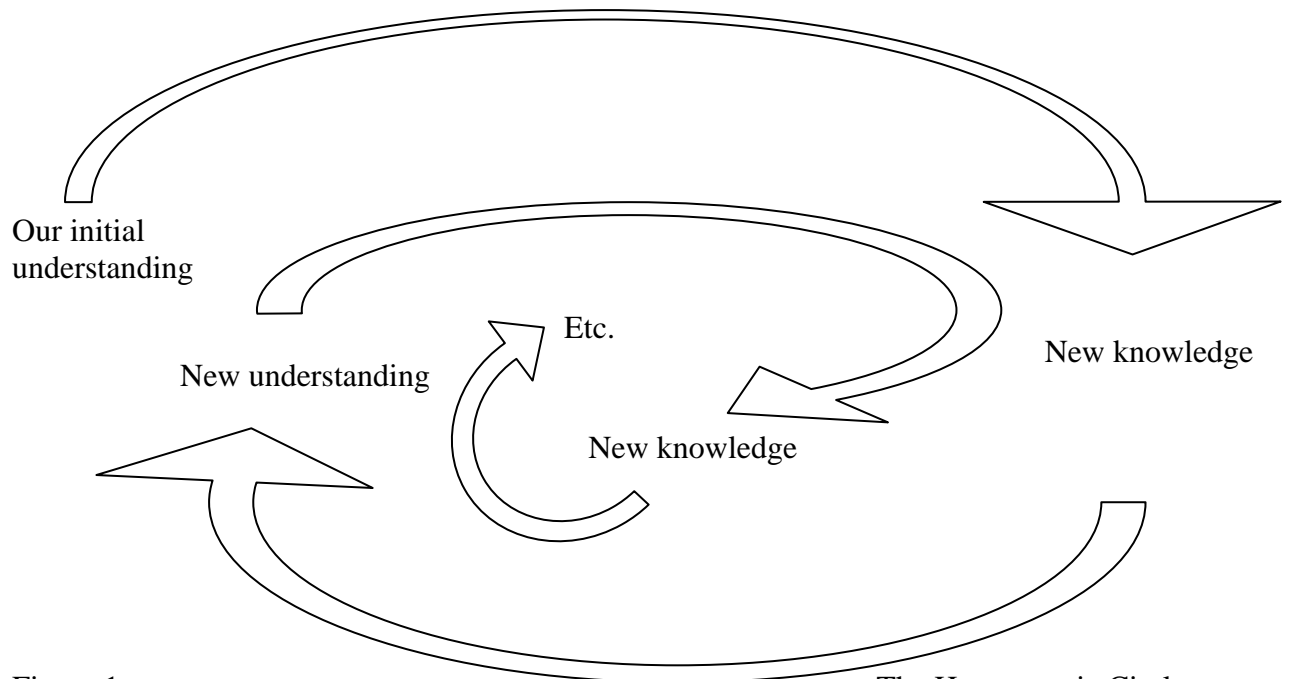
Figure 1                                                                 The Hermeneutic Circle

## 3.4 Choice of Subject

The reason why we have chosen to use Pebas as the case in our analysis is because we think it is effective and practical to have a concrete example of a company to illustrate our findings. Moreover, Pebas have not been using social networking sites in terms of marketing before, which presents an opportunity for us to create a strategy for the company (appendix 1, question 18). Due to the fact that Pebas sells several different brands and products, we have decided to focus on their new Grønne Gaarden soda. Furthermore, we have decided that the social network site used in this thesis will be Facebook. This is done with the knowledge that there are many social networking sites on the Internet and that the outcome of this thesis more or less will be the same no matter which social networking site we use. However, we have chosen Facebook, due to the fact that we believe it to be is one of the fastest evolving social networking sites today. In our everyday we use Facebook as a means of communication and have thereby noticed that more and more people are constantly

joining. We are well aware of the fact that there are changes everyday on the Internet and that what is 'in' today can be 'out' tomorrow. That is also the reason why we aim to create an analysis and conclusion in this thesis that more or less can be used when advertising on most social networking sites.

## 3.5 Data Collection

In this paragraph, we will explain our actions regarding data collection. We have collected data for this thesis through books, articles, an interview with the Marketing Manager at Pebas and the Internet. We have chosen to write this thesis without collecting data through questionnaires, focus groups, observation or participant observation. We are aware of the advantages and disadvantages of these choices, but the major time constraint of four months has forced us to do without major empirical data. The only kind of empirical data used is an interview with Pebas' Marketing Manager, Charlotte Lerche. We believe it to be an advantage to use a case, as it gives us a tangible example and thereby makes it more relatable for the reader. However, the limited time period and thereby limited empirical data will make this thesis mainly theoretical, including a practical example.

Our main source of literature derives from books, articles and the Internet. As advertising through social networking sites is a relatively new method, we have not found any books written on the topic. Therefore we have to turn to the Internet and articles to get a theoretical overview of social networking media. However, theory on viral marketing, branding, consumer behaviour and marketing communication have been around for some time, which has made it possible for us to use books along with articles and Internet sites. As the Internet is fast evolving, books about what topic easily becomes outdated, this has made us use articles and Internet sites to support the information gathered through books. However, the books that we have chosen to use on the topic are somewhat recent, so we believe them to be relevant. Furthermore, some of the authors of the books we have chosen to use are well-known within the marketing field, and are generally believed to be of relevance. The articles that we have used have been written recently, and the Internet can be updated at all times to keep the information accurate and current. Moreover, many of the highly-educated

individuals who are interested in the possibilities within the Internet, use the medium to discuss these interests and opinions or to inform others about it.

It could have been effective for us to collect data through interviews in order to get directly in touch with consumers and thereby get their opinion. Still we have chosen not to do so, mainly because of our time limitations. Furthermore, we believe that the literature is information enough in relation to this thesis. In the light of our considerations we believe that the choices that we have made are the best in this connection.

### 3.5.1 Interviewing

The qualitative research used in this thesis is interviewing, where it is important that the interviewer is neutral and without a predetermined opinion. In this case, we are the ones conducting the interview with Pebas' Marketing Manager, Charlotte Lerche.

We have chosen to use interviews in this thesis with the intention to get more in-debt information about the company and the chosen product, Grønne Gaarden soda. Moreover, we will, during this interview, try to retrieve answers that can help us in connection with our analysis.

When doing qualitative research, interviewing is a major source of information.

> *"A depth interview is defined as a set of probing questions posed one-on-one to a subject by a trained interviewer so as to gain an idea of what the subject thinks about something or why he or she behaves in a certain way."*
> (A. C. Burns & R. F. Bush, 2006: p. 221)

It is a way to get inside a person's head and enter into their reality to find out things, such as feelings, memories and interpretations that can not be observed or discovered in other ways (D. Carson et al., 2005). According to D. Carson et al. the researcher has to be careful not to apply his or her own feelings and opinions to the respondent through the questions or the register of voice.

The interview with Charlotte Lerche will be taking place at Pebas' headquarters in Ringkøbing, to make her feel comfortable and at ease. We will have to be careful when developing the interview guide, as we want to create questions that can not be answered with a 'yes' or 'no', but have to be elaborated with an explanation. The interview will be semi-structured, as this makes room for deviations in the interview, if the respondent gives information that makes the interviewer want to ask questions outside the interview guide. A semi-structured interview method also supports the hermeneutic understanding we have chosen to use as our methodological approach, as it allows for more questions which then provides a further understanding (see paragraph 3.3.1). When starting the interview, it can be useful to talk about something far from the interview, such as the weather, simply to try and build a comfortable relationship between the interviewer and the respondent. Furthermore, it is important that the interviewer keeps eye contact during the interview and perhaps nods or gives other signs of understanding or approval when the respondent is talking, making it obvious that the interviewer is paying attention and is interested in what the respondent is saying (Carson et al.,2005)

As there are two of us participating as interviewers. One of us will lead the interview, which will be taped on a dictaphone, whilst the other will take notes, thereby ensuring that we get all the information from Ctarlotte Lerche. The interview will be transcribed after the interview and is enclosed in the thesis as Appendix 1.

We do not find it relevant to interview other people at the office, as Charlotte Lerche is the Marketing Manager and most likely knows all that we need to know about Pebas and Grønne Gaarden to write this thesis and create a useful suggestion as to how Pebas should go about using Facebook as an advertising media. It may have been useful to interview some of the consumers to get an idea of why they buy the product and which values they believe Grønne Gaarden reflects, but due to the limited time period, we have chosen to do without.

An advantage when using qualitative methods can be that the thesis will get a more practical frame instead of a theoretical one. Moreover, interviewing an important person within the company gives us valuable information about the company, which we would not be able to get from the website alone. Disadvantages in using interviews when doing research can be that the respondent is not honest and does not want to lose face. In this case the dishonesties

can come from the fact that the interviewer is an employee at Pebas and would probably not say anything negative about the company or the products they are selling. However, in regards to our thesis, we still believe that interviewing Charlotte Lerche is the way for us to get the most in-depth information, as she herself is interested in delivering as truthful information to us as possible so that we can give our take on how best to advertise the new Grønne Gaarden soda on Facebook.

## 3.6 Structure

After having explained and validated our choice of subject and our data collection, we will now explain the order and the choices of literature together with the subjects that we have included.

In chapter 4, the theory behind viral marketing will be presented and explained in detail as it is the backbone of this thesis. As mentioned, we find it interesting to examine how marketers can use Facebook to market a product. Therefore we have chosen to build this thesis on viral marketing. Viral marketing is a good way of getting the attention of the consumer and is very different from other online marketing methods, such as banner ads. To support the viral marketing campaign, branding is a way of profiling a product and creating an identity. To support these two main topics, we have found it relevant to look at storytelling as it has been established that building a story behind a brand often proves beneficial to the marketer. Moreover we will look at consumer behaviour, as it is interesting to see how consumers act and which values marketers have to keep in mind when wanting to target a specific target group. As our final topic we have chosen to look at marketing communication to understand how the communication in advertising travels from the sender to the receiver. These will all be presented in chapter 5, the theory, which will be used to create chapter 7, the analytical framework, which will be used in the analysis. There are most likely other theoretical aspects and other factors that can prove useful when wanting to implement an advertising strategy on a social networking site, but the ones that we have mentioned here are those that we have identified as being of major importance in relation to our research topic.

Chapter 6 is the company profile of Pebas and the chosen brand, Grønne Gaarden. The reason why we have chosen to place the company profile before the analytical framework is because we find it important to use the specific example when choosing the most important elements from the theory. The placement is carefully chosen, as we believe it to be important that the case example is fresh in the reader's mind when reading the analytical framework, chapter7.

After chapter 6, we will create an analytical framework of important factors from that chapter that we believe are important for Pebas when wanting to market Grønne gaarden soda through viral marketing on Facebook. This analytical framework is not meant as a new development of theory, but only as an overview of what elements from the theory we will be using and in what order.

The structure in chapter 8, our analysis, will be chronological to chapter 7, our analytical framework, which means that we will discuss each paragraph from a Grønne Gaarden perspective with emphasis on viral marketing and branding.

## 4.0 Viral Marketing

This chapter will focus on viral marketing, provide a definition of the concept and define how marketers use viral marketing to reach the consumer. Moreover, this chapter will look at some of the advantages and disadvantages of working with viral marketing and list some of the questions a marketer has to answer before going viral. This will be done on the basis of the 'word of mouth' theory, henceforth abbreviated WOM, as viral marketing is the online equivalent to WOM. Later in this thesis, this chapter will be used as one of the focal subjects when striving to answer our problem formulation.

## 4.1 Word of Mouth

Getting the consumer's attention is becoming increasingly difficult as new technological development makes it possible for the consumer to filter out advertisements. Consumers can pay to avoid them, use technology to block them or simply ignore them (The Economist, 2005).

> "[…] *traditional advertising is on the decline. TV networks are losing viewers. Magazines are in trouble. Broadcast and print ads are costing more and producing poorer results. Traditional sales people are almost dinosaurs. People just don't have the time for sorting through the information overload.*" (G. Silverman, 2001: pp. 9-10)

Because of these findings, marketers have been forced to use other methods to get through to the consumer. One of these methods is WOM.

WOM has, according to B. Gelb, professor of Marketing and Entrepreneurship at University of Houston and S. Sundaram doctoral candidate at University of Houston, been termed as the worlds most effective, yet least understood marketing strategy (B. Gelb & S. Sundaram, 2002). WOM refers to the act where consumers themselves pass on information to other consumers, thereby making them the channel of advertising. As G. Silverman, Marketing consultant and psychologist, states, the goal of WOM is to get people to talk favourably, about the company or product (G. Silverman, 2001). WOM is informal communication, both positive and negative, between individuals about characteristics of a supplier and/or its

products (B. Gelb & S. Sundaram, 2002). The most important steps when wanting to use WOM is according to the 'WOM marketing association':

- Educating people about your products and services

- Identifying people most likely to share their opinions

- Providing tools that make it easier to share information

- Studying how, where, and when opinions are being shared

- Listening and responding to supporters, detractors, and neutrals[26]

These steps show that the marketing message almost only depends on the consumers. It is therefore important that the company targets consumers that are willing to volunteer facts, opinions and experiences to strangers. If the company is capable of doing so, it will most often reach a large number of consumers at a low advertising cost.

'WOM marketing association' describes WOM to be consisting of a lot of different strategies used to reach the specific target group. Some of these are:

**Buzz Marketing:** Using high-profile entertainment or news to get people to talk about your brand.

**Viral Marketing:** Creating entertaining or informative messages that are designed to be passed along in an exponential fashion, often electronically or by email.

**Community Marketing:** Forming or supporting niche communities that are likely to share interests about the brand (such as user groups, fan clubs, and discussion forums); providing tools, content, and information to support those communities.

**Product Seeding**: Placing the right product into the right hands at the right time, providing information or samples to influential individuals.

**Influencer Marketing:** Identifying key communities and opinion leaders who are likely to talk about products and have the ability to influence the opinions of others.

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[26] http://www.womma.org/wom101/

**Conversation Creation:** Interesting or fun advertising, emails, catch phrases, entertainment, or promotions designed to start word of mouth activity.[27]

When planning a WOM strategy it is important that the right channel is pursued, and that the message is thought through before sending it. After doing so, it is also key to identify the target group and thereby find which of the abovementioned strategies most efficiently fits the conclusion reached. In this thesis, the abovementioned strategies will all be referred to as 'viral marketing' or 'word of mouse' if of course is carried out on the Internet.

Through the current technological development of the Internet and different communication media, viral marketing has emerged. Viral marketing is when the same strategy as WOM is used online or through other communication media, such the mobile phones.

## 4.2 Word of Mouth Becomes Word of Mouse

As mentioned earlier, viral marketing originates from WOM and is defined as the online word of mouth. Viral marketing has also been referred to as word of mouse as this refers to the action of clicking on the mouse attached to the computer, when wanting to tell a friend about a product or service.

> *"Viral"*[…]marketing[…]*"is today's electronic equivalent of old-fashioned word of mouth. It's a marketing strategy that involves creating an online message that's novel or entertaining enough to prompt consumers to pass it on to others […]"[28]*

When using viral marketing, marketers are depending of the tactic of creating a process where interested people can be empowered to share their experiences with friends and family.

Viral marketing derives from the word 'virus', which covers biological and computer viruses that are feared or hated by most people. According to J. Rayport, the ultimate marketing strategy is viral marketing.

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[27] http://www.womma.org/wom101/02/
[28] http://www.usatoday.com/money/advertising/2005-06-22-viral-usat_x.htm

> *"Think of a virus as the ultimate marketing program. When it comes to getting a message out with little time, minimal budgets, and maximum effect, nothing on earth beats a virus. Every marketer aims to have a dramatic impact on thinking and behaviour in a target market; every successful virus does exactly that."*[29]

The marketing virus is spread via chat rooms, newsgroups, electronic consumer forums and emails. These are all places where the consumer is not physically present, but where one can express their opinion without even letting their name be known (B. Gelb & S. Sundaram, 2002). Internet marketers are using viral marketing to draw attention to specific products, services or company websites. Viral marketing is consumer-driven marketing as opposed to traditional marketing which is controlled and driven by the marketer. According to A. Dobele et al., viral marketing is:

> *"the process of getting customers to pass along a company's marketing message to friends, family, and colleagues. Like a virus, information about the company and its brand message, goods, or services is spread to potential buyers, who then pass the information along to other potential buyers such that a huge network is created rapidly."* (A. Dobele et al, 2007: pp. 291-292)

According to E. Masland, viral marketing has become one of the most effective and cost-efficient ways to create a 'buzz' around your product or service.[30]

When using viral marketing, marketers are hoping to create something that is fun and which thereby will multiply by it self, as people send it to friends via e-mail, social networks or blogs (The Economist, 2006).

> *"People will forward pictures [...] or they will pass along entertainment or compelling offers—the trick is to make sure the marketing message is in the email along with the goodies."* (W. Bulkeley, 2002: p. 6)

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[29] http://www.fastcompany.com/magazine/06/virus.html
[30] http://websolvers.com/portfolio/papers/viral.asp

According to Dr. R Wilson, E-Commerce Consultant, Figure 2 illustrates the spread of a viral message:

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Figure 2                                                                                  (Dr. R. Wilson, Marketing Today, 2000)

As illustrated, the viral marketing message will almost always be doubled, if not more, each time it is sent forward. It is important for the company that the receiver of the message perceives the relayed message to be positive and passes it on to friends for that reason. According to an article in the Economist, people enjoy advertisements that are creative and entertaining (Economist, 2006). If the message is perceived as being negative, the receiver could also wish to talk to friends about it and thereby create a negative picture of the company and/or its products.

The receiver of the message is also a potential buyer and the effectiveness of the advertising relies on the receiver's willingness to pass the message forward to other potential buyers, thereby making people aware of the product. Most often prospective buyers ask around before making a purchase, and using a viral marketing strategy can help people choose your product.

> *"Prospective buyers, concerned about product quality differences and their own comfort level with a brand or a supplier of professional services, almost always "ask around" at some point in the decision process."* (B. D. Gelb & S. Sundaram, 2002: p. 21)

The difference between WOM and viral marketing is that viral marketing primarily uses the Internet to convey the message, and thereby spreads the message somewhat faster. In the

future, mobile services, such as picture messages, could also be a channel, no viral marketers attempts through this channel has yet been documented (B. D. Gelb & S. Sundaram, 2002). However, it is important to stress that advertising directly to a person without that persons accept can be illegal according to the marketing law. Therefore, it is important to know the rules of the country where the message is send from, as it is that country's rules which are binding.[31]

There are some differences between WOM and viral marketing that are not obvious. When using viral marketing it is most often the individual wanting to express an opinion or experience, who initiates the conversation, whereas when using WOM, the individual takes the initiative to ask around and acquire information about the wanted topic. It can be an advantage that the viral marketing is not face-to-face, as people can be more relaxed and comfortable, when in the comfort at their own home. If people are comfortable, they are often more likely to talk about embarrassing things and give their opinion about certain things. (B. Gelb & S. Sundaram, 2002)

> *"Social constraints are relaxed when you comment on a product or its source to someone you will never meet in person, a recipient who will 'know' you only as a label"* (B. Gelb & S. Sundaram, 2002: p. 22)

A company is more likely to get the truth via viral marketing than from WOM, because the person expressing opinions and feelings is anonymous, and can thereby tell the truth without being worried about confrontation. Moreover, a critique that is often directed at viral marketing is that there is less control over the spread of the message than there is in more traditional forms of marketing. In these forms of marketing, the marketer is in charge and can make decisions about the marketing that fits the target group and thereby send the message how he or she sees fit.

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[31] http://www.forbrug.dk/klage/love/forbrugerlove/mfl/mfl/

## 4.3 The History of Viral Marketing

One of the first times viral marketing was used and one of the most widely known examples, is the advertising of 'Hotmail'- the free email service. Users were made aware of the possibility of a free email account through viral marketing. Hotmail used a link at the bottom of every email its subscribers sent. In this link recipients were encouraged to sign up for a free Hotmail account. According to E. Masland, "*Hotmail grew its subscriber base faster than any company in the history of the world […] faster than any new online, Internet, or print publication ever.*"[32] The result of the viral marketing approach was that over 12 million subscribers signed up for an account within Hotmail's first 18 months of advertising. This marketing strategy did not cost Hotmail much in marketing, advertising or promotion, but was highly effective.

After this, more and more marketers have started using viral marketing, but it is not as easy as it might seem. A lot of work has to be done before the virus is ready to reach as many people as possible and get the intended message out. This is why a strategy has to be made on how to use viral marketing in the best way.

## 4.4 Creating a Viral Marketing Campaign

After defining viral marketing and its history, we will now explain how it can be implemented and used as a part of an integrated marketing strategy. This will be done with a rewritten version of Ivækst's list of questions that has to be answered when planning a viral marketing strategy. Ivækst is a privately own Danish company that is established to consult newly established businesses and small companies about growth and development.[33] We have chosen only to take some of the questions on the list as we believe only some of them to be relevant. The questions that we have chosen to do without are questions that we in this thesis can not answer, as they are about the financial part of a business. The rewritten list of questions is:

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[32] http://www.fastcompany.com/magazine/06/virus.html
[33] http://www.ivaekst.dk/ivaekst/omivaekst/om-ivaekst

- What do I want? Realistic goals.

- What do my customers want and need?

- What is my target group?

- How am I communicating with my customers now?

- What market position do I want? Cheep or exclusive?

- How do I differentiate my product from my competitors?

- Do I want to sell my product through B2B or B2C?

- How can I promote my product?[34]

To answer these questions, it is important to look at the way the company is advertising the product now and the way it communicates with the market. Moreover, it will be beneficial if the advertising and marketing communication is integrated into the viral marketing strategy, as this will make it easier for the marketer to work with and for the consumer to relate to. After answering these questions, the marketer can start creating the viral marketing strategy, using the knowledge gathered.

A core element in viral marketing is that Internet users pass on a message to friends and acquaintances. Provided that the message takes the form of a recommendation, this will be of much greater value to the recipient than any third-party recommendations via traditional media. As the sender is in the recipient's personal network, it is more likely that the recipient will have a greater degree of trust in the content of the message. Marketing via viral campaigns is therefore often directly able to influence consumers' purchase behaviour (B. Gelb & S. Sundaram, 2002).

When using viral marketing as a promotion tactic, companies have to give consumers a reason to talk about their product and services with friends.[35]

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[34] based upon: http://www.ivaekst.dk/opstart/opret/2/0/6/din-marketingstrategi--indhold
[35] http://www.womma.org/wom101/

> *"It is the goal of every supplier to lure the Internet user to his Web site with attractive offers and arouse enough interest to warrant repeated visits to the company Web site. The challenge for every marketer is to acquire new customers, achieve customer satisfaction and loyalty as well as a degree of brand popularity."* (S. Helm, 2000: p. 159)

As the quote states, it is important that the company, before creating the viral marketing strategy, listens to the consumers, finds individuals who want to share opinions and experiences and find ways to make it easier for these people to tell their friends. Moreover it is important that the 1st level receivers,[36] the people who are the initial receivers of the message, are carefully chosen to forward the intended message. For a viral marketing campaign to be successful, the most important element is often that it is done creatively so as to be funny or surprising and give the sender a reason for passing on the message (The Economist, 2005).

When using viral marketing as an advertising technique, the company and its marketers have to trust in the chosen recipient and his or her personal recommendations. It could seem to be an easy way of doing marketing, but different from other advertising methods, where the power lies in the hands of the marketer, viral marketing gives the power to the consumer. The consumer has the power to deliver a specific message and convey it as positively or negatively as he or she feels. The fact that the receiver of the viral message has the power to pick and choose as never before, and with just one click on the mouse can shift from one company website to the competitors, makes it important for the marketer to create an appealing message that makes the receiver send it forward to friends (The Economist, 2005). Furthermore, the marketer also has to choose receivers that are within the target group to ensure an interest in the specific product; hence if the message is not appealing to the receiver it will most likely not be sent forward to other potential buyers (The Economist, 2006). Moreover, the fact that the message comes from a friend, the receiver is more likely to open the email as, according to W. Bulkeley, people are more afraid of opening emails from people they do not know due to the threat of computer viruses.

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[36] 1. level receivers are those that receives the message from the company first and are expected to pass it forward to spread the virus.

According to Dr. R. Wilson, there are six basic elements within a viral marketing strategy. A strategy does not need to contain all of these elements, but the more it incorporates, the more powerful the result is likely to be. The six elements are:

1. Include product or service giveaways

2. Make it easy to transfer the information to others

3. Scales easily from small to very large

4. Exploits common motivations and behaviours

5. Utilizes existing communication networks

6. Takes advantage of others' resources

(Dr. R. Wilson, Marketing Today, 2000)

All of these elements can be mixed together and thereby create a viral marketing strategy that fits the specific campaign.

*1. Include product or service giveaways*

The word 'free' is very important within traditional marketing and this is no exception within viral marketing. This is because the word draws the costumer's attention.

> *"Most viral marketing programs give away valuable products or services to attract attention. Free e-mail services, free information, free "cool" buttons, free software programs that perform powerful functions (but not as many as you get in the "pro" version).* (Dr. R. Wilson, Marketing Today, 2000)

Moreover, Dr. R. Wilson believes that the word 'free' attracts attention and after attracting this initial attention, the consumer can look elsewhere on the website and see other desirable products or services that the website is offering. Dr. R. Wilson's theory is: "*give away something; you'll end up selling something"* (Dr. R. Wilson, Marketing Today, 2000).

*2. Make it easy to transfer the information to others*

It is very important that the viral marketing campaign makes it easy for the receiver to send the message to friends and family. The technological development makes it easy to transfer and replicate a message, and instant communication has become easy and inexpensive. Moreover, the message has to be simple, easy to copy, and easy to send forward to other potential customers (Dr. R. Wilson, Marketing Today, 2000).

*3. Scales easily from small to very large*

It is evident that the company foresees the result of the campaign; hence the campaign has to be ready for both a small and a large scale of buyers, who are interested in more information, which means that scalability has to be built into the viral model. This means that the campaign can lure small or large numbers of interested buyers and that the company has to be ready for this. This means that they have to have the technological capabilitys, the products in store and enough employees to answer questions from buyers.

*4. Exploits common motivations and behaviours*

According to E. Masland, *"Clever viral marketing plans take advantage of common human motivations."* This means that the marketers, who create the viral marketing campaign, have to consider which emotions and behaviours are important in motivating the customer with the specific message. This is important to explore to attain the desired reactions from the target group to get them to go onto the company's web site, to send the message on to others, or whatever the indented action may be. This theory is further documented in the following citation, which emphasizes the importance listening to the consumers in trying to meet their needs:

> *"Design a marketing strategy that builds on common motivations and behaviours for its transmission, and you'll have a winner."*[37]

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[37] http://www.websolvers.com/portfolio/papers/viral.asp

5. Utilizes existing communication networks

To reach the customer, it is important to explore their network. Does the customer only have an email account, or does the costumer have a blogg as well as being on three different online social networks? With the ever evolving technology today, people extend their network almost on a daily basis. Many 1. level receivers are involved in communities within different interest groups and, through these, come in contact with several different potential buyers, to whom they can send the viral message. Moreover, most people have their own email account, private or at work, where they easily can send viral messages to their contact list. As a relatively new phenomenon, people are starting to use communities like Facebook where they can come in contact with long lost friends and friends in general (c.f. paragraph 2.2.1).

6. Takes advantage of others' resources

As the last element in Dr. R. Wilson's six steps, it can be useful to create awareness through other websites. Use a banner or graphic link to get the attention of the buyer and guide him/her to the company website, where the actual offer is luring (Dr. R. Wilson, Marketing Today, 2000).

Taking all of these elements into consideration should, according to Dr. R. Wilson help companies create the correct viral marketing strategy that fits the specific campaign, company and product.

# 5.0 Theory

In the following chapter we will present the theory behind branding as we see this theory being of major importance when wanting to advertise. This is based on a notion we have, that it must be easier for a company to advertise and sell a product if they are selling an established brand than if not.

## 5.1 Branding

The terms 'brand' and 'branding' are today being used at random in almost every conceivable situation in our everyday life and there has never been so many brands in the world, as there is now. Branding, as a promotional tactic, is used liberally within virtually every field; from countries, cities and cultural events to sports, fashion and arts. Branding takes a presence in virtually every aspect of our everyday lives.

There are many definitions of what branding is. One of those is given by the marketing phenomenon Philip Kotler, who, albeit being known for mainly writing educational textbooks, puts forth a definition that clarifies that branding is:

> *"A name, term, sign, symbol, or design, or a combination of them,*
> *intended to identify the goods or services of one seller or group of sellers*
> *and to differentiate them from those of competitors." (Kotler, 2003: p. 418)*

In this definition Kotler limits branding to being a name, term, sign, symbol or design: in other words the more physical dimensions of a product which is what the consumer identifies the product or service by. As mentioned above, this definition provides us with an overall understanding of the term branding. However, it is a somewhat simplified definition, as branding today is more than just the physical appearance of a product or a service. We feel that this definition does not cover all the aspects of what branding is, and have therefore chosen to put forth another theorist's view on branding. Glenn Jacobsen, Bachelor of Commerce in both Sales and Strategy and in Management and Organisation, gives a more subtle definition on the notion of branding, as he perceives this as being a more complex and multidimensional unity, which goes beyond the more physical layers that Kotler refers to.

*"En mærkevare er et relevant og synligt produkt, som målgruppen kender
og loyalt har præference for, idet det giver merværdi, er dynamisk og har
en konsistent fremtoning."* (Jacobsen, 1999: p. 41)

In this definition branding is seen as a more complex entity where the target group has knowledge of the product in advance of the purchase situation, and where they perceive that buying this product will bring them an increased value, which lies beyond the physical aspects of a product, but which is however still connected to it. In other words, the values that the product brings alongside the perceived value is what, combined, fulfils the needs and wants of the consumer. Pivotal to a brand is that it is able to bring the consumer a value that no other product or brand can deliver, so that the consumer continues to hold a preference for that particular brand, because he feels that this particular brand brings him a value, tangible or intangible, that no other brand can, even though this value might be perceived. This is further argued by de Chernatony & McDonald who say that:

*"A successful brand is an identifiable product, service, person or place,
augmented in such a way that the buyer or user perceives relevant unique
added value which matches their needs most closely. Furthermore, its
success results from being able to sustain these values in face of
competition"* (de Chernatony & McDonald, 1998: p.20)

The aim of a brand then becomes to create a psychological added value to a product or a service with the consumer. This will profit the company that has created the brand as they obtain 'brand equity'. Brand equity means that the manufacturer can charge a surplus price for the brand and thereby make a larger profit, as most brands are often priced above products that are physically the same, but which cannot be called a brand (Buch-Madsen, 2005).

According to Claus Buhl, Ph.D. from Copenhagen Business School, certain brands represent different ideas, concepts and values. One example is Starbucks, which represents quality. Another example is Virgin which is known for its unconventionality. The brand is to be seen as the core capital of the company, which is to ensure that the product becomes more than it would have been without the brand; that the product attains a different meaning in the mind

of the buyer than it would if it were a mere product. Buhl believes that a brand is to be seen as a product which is surrounded by layers of material and immaterial values with a clear connection between the layers and their anchorage in the product (Buhl, 2005). He therefore states that what determines the reach of a brand, and how successful it becomes in the eyes of the consumer is not the product itself, but more how the consumers receive it and what values they apply to the product. The consumer plays a pivotal part in the branding process, which is also why there is no guarantee that an attempt to brand a company or a certain product will end up a success. For example, the buyer may choose not to accept the values that were intended for the product by the company.

> *"Værdien af et produkt kender og styrer virksomheden selv. Værdien af et brand, kender virksomheden først når den har sluppet kontrollen [...] forbrugeren ejer forbrugssituationen, virksomheden skaber produkterne og kunderne ejer brandet."* (Buhl, 2005: p.22)

The recipient of a product plays an important role when it comes to the branding of this, because if the buyer does not develop a preference for the product it will not be a successful brand, as other brands will take its place of preference with the recipient. Buhl therefore suggests that companies see buyers as 'prosumers' as opposed to mere consumers, because when a buyer is perceived as a consumer, he or she is passive regarding involvement of the product. On the other hand, as a 'prosumer' he or she takes on an active role in the branding process. That is to say that if buyers are encouraged by a company in some way or another to take an active role in the branding process, there is a much higher possibility of the product becoming a successful brand, which is also why 'prosumers' create possibilities for a company to market its products in ways that have not been seen before (Buhl, 2005)

### 5.1.1 The Educational Brand

As clarified in the paragraphs above, the consumer plays an important role in the process of branding a product, as it is the consumer who has the power to determine whether or not he or she will buy the product in the end. This paragraph will therefore discover how the consumer can be involved in this branding process, based upon Claus Buhl's 'det lærende brand', which seeks to develop greater knowledge on consumer behaviour.

Unfortunately for marketers, consumers are not crisp, white, clean pieces of paper that they can write their messages upon, thereby making us believe and accept the values that they want us to, and consequently act accordingly. It takes a much larger effort and even when the marketer has displayed what he or she feels will best display the intended message, there is no guarantee that the end consumers will perceive it as was intended. According to Buhl, there are two ways of getting closer to the consumer. The first is analytical and concerns *"[…]empatiske observations- og analysemetoder"* (Buhl, 2005:p. 70). This method has its roots in psychoanalysis and is called 'metaphor analysis', where the consumer, guided by an interviewer, talks his or her way into their deepest feelings and renders them to the interviewer. This method was developed from the idea that it is not possible for the focal person to get in touch with his or her deepest feelings and consequently report them by use of, for instance group interviews, because they simply will not be able to access these deep rooted feelings amongst other people. The consumer knows what they want but they will not always be able to articulate this, as parts of consumer needs are stored in the subconscious, and will only be uncovered through in-depth metaphor analysis.

The other way of getting closer to the consumer is a more practical method. As mentioned earlier, this evolves seeing consumers as 'prosumers', which is when consumers involve themselves in the idea of the brand. A company which has done this is IKEA, who have tried to make use of this method in the interior design of their stores. IKEA has made it a point not just to place their furniture at random throughout the stores, but they have placed it according to different scenarios where the consumer, when walking through the store, can place themselves in each and every one of them. Needless to say IKEA has made sure to guide the consumer through all the different product categories before the consumer reaches the check out. This is cleverly done because they circumvent the stigma that IKEA once had

of being merely a store where you had to assemble the furniture at home yourself. This is nevertheless still the case, but this negative aspect seems to be overridden by the values that IKEA has in the mind of many consumers. DUI programs on television can also be said to involve the consumer in the brand. Consumers are bombarded with education on how they can make a better living room, better wardrobe, better bathroom and a nicer looking garden. The television that years ago were meant to just entertain is now educating consumers on how to make all of these improvements. Where television viewers before could just sit back and let themselves be entertained by programs they did not have to pay any special attention to, some programs today now demand special concentration by the viewer in order for them to learn from the program what is intended. This information that is received from so many places is a way of educating the consumers on how they can live their lives. This method is referred to by Buhl as 'the educational brand '(Buhl, 2005).

> *"Det lærende brand er engagerende* […]*det handler om at have en mangfoldig række af forskellige handlinger, aktiviteter, kommunikation og oplevelser som din forbruger over tid kan samle op og bruge til at opbygge ny viden, nye idéer og nye forestillinger om, hvor de kan bevæge sig hen."*
> (Buhl, 2005: p. 107)

According to Buhl, it is important that a company creates a brand that will ensure that the consumer does not forget about it immediately after purchase. It needs to be exciting and different in the sense that it will leave the consumer thinking about that brand and possibly converse with his or her peers about it. This then leads to further involvement with the brand; an educational brand is one that stays in the mind of the consumer.

Today a post-modern society exists where change, innovation, indefiniteness, and the post-traditional are pivotal key words. Therefore, it is important that companies create new ideas and are innovative in their thought process as there is a great demand for new thinking, which will create a sense of meaning and clarity in the world of the consumer (Buhl, 2005). It is imperative for companies to involve the consumers in the branding process so that they can envision themselves in the imagined scenarios and succeed in acting accordingly.

Another important aspect of branding is change and innovation. One of the foundations of post-modern society is change. It is accordingly imperative for a brand to show that it can

develop and change according to the changing tendencies in consumer behaviour. This capability of change can, amongst other brands, be seen in Virgin which constantly thinks of new ways to re-invent themselves in different and experimental ways. The same goes for Starbucks, which expanded their product range to include the music that it plays in its stores. These are just some of the ways for a company to generate interest for a brand which keeps the consumer interested, and keeps them pursuing the brand in the hope that it will keep evolving, as the consumer will, through his or her life.

**5.1.2 Product and Corporate Branding.**

When talking about branding, it is important to emphasize that there are two different kinds of branding; product and corporate branding. This paragraph will aim to clarify these two terms and the differences that lie between them.

There are different strategies companies can choose to apply to their branding process. In an article presented in the journal 'Markting Intelligence & Planning' in 2004, Henry Yu Xei and David J. Boggs write that:

> *"[…]there are four basic 'brand architectures' available to firms: corporate, product, corporate-and-product (with dominant use of the corporate brand) product-and-corporate (with dominant use of product brands). Some firms (such as IBM) almost exclusively emphasize their corporate brand while others (such as Procter & Gamble) focus strategy on their product brands. Others actively deploy corporate branding and product branding simultaneously, shifting their emphasis between the product and the corporate in different markets and contexts."[38]*

As seen in this citation there is a difference in what companies choose to emphasize in their branding of a product, because both the corporate and the product branding will often be associated with selling a product, whatever this product might be. As also mentioned above, a company like 'IBM' has chosen to follow a strategy where it is primarily their corporate brand which is branded in the selling process. Which ever product IBM promotes the primary brand will be that of IBM and then secondary of the product in question. This is

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[38]http://www.emeraldinsight.com.zorac.aub.aau.dk/Insight/ViewContentServlet?Filename=Published/EmeraldFullTextArticle/Articles/0200240403.html

opposite to a company like 'Proctor & Gamble' where the corporate brand is secondary to the product brand, as it is the latter that will be emphasized in a branding situation, albeit the corporate brand giving some validity to the product brand. There are pros and cons to both strategies, which will be dealt with further in the paragraph that follows.

### 5.1.2.1 Product Branding

The purpose of product branding is:

> *"at skabe varige konkurrencemæssige fordele ved; at udmærke virksomhedens produkt, så det adskiller sig fra konkurrenternes; at skabe identifikation og opmærksomhed omkring produktet, at garantere et givent niveau for produktets kvalitet og tilfredsstillelse."* (Jensen et al., 2003: p. 25)

As the term indicates, product branding is the branding of one particular, isolated product. Product branding will often be targeted towards one particular market, as there lies the possibility of branding the same product in different ways across different markets due to its flexibility. This is one of the benefits in branding products separately and without positioning the corporation into the product branding strategy. Most people have experienced seeing a particular brand in another country, where it was positioned differently from how they are used to seeing it in their home country. It is possible for a company to yield economical benefits by positioning one of its brands as a luxury brand in a foreign market, compared to its home market. However, this strategy of branding one product in different ways across markets can be a somewhat costly affair.[39]

Another important benefit of product branding as opposed to corporate branding is that the corporation will not be equally damaged if one of its brands suffers poor publicity in one market. If this happens, the other brands from the same company will not necessarily be affected as badly if each brand has been branded separately from one another, nor will the corporation itself.

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[39] Ibid.

In product branding, the main focus is on the consumers, as product branding is mainly meant to create different images of one product in the minds of the consumers. These images that are developed to get the consumer to prefer a brand instead of a competitor's are both connected to the rational and the emotional dimensions of a purchase situation. The rational dimensions are those that are connected to the product's physical and factual components. This could be the aspect of the quality of the product, the materials used and so forth. The emotional dimensions are those that appeal to the heart of the consumer. This is where the emotions surrounding the product takes over, and where the values and ideas that build up around the product come into play. In short, product branding appeals to every aspect of the human decision-making process (Jensen et al., 2003).

### 5.1.2.2 Corporate branding

> *"Corporate brand architecture is defined by core values shared by different products with a common and overall brand identity, which play a decisive part in coordinating the brand-building process."*[40]

With corporate branding, it is the company behind the product that is the central element in the branding process and that demands the attention of the consumer and thereby becomes the brand itself. The products take a step back and become a vehicle by which the corporate values are transported to the consumer.

Corporate branding will often evolve around organizational values, core values and added values, which act as the foundation of a company's corporate branding. It is imperative that these values are present in the entire company so that they do not seem forced and untrue to the consumer. The challenge of developing a corporate brand is to organize their resources and find different ways of implementing and expressing them in the products that they sell.

Because we live in a time where technology enables us to access most of the world in a short amount of time, it is becoming increasingly easy to imitate products as soon as they are introduced into one market. This makes it difficult for a product to maintain credible product differentiation, and create value during this process. However, if the company chooses to

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[40] Ibid

portray corporate values as key aspects of its products, there is a chance that the product will stay different and sustain its place in the face of competition for a longer period of time. Thus, the corporate values become the differentiation factor of the product, and the aspects of the company that makes it differ from competitors, selling similar products.[41]

Furthermore, there is an aspect of time that differentiates corporate branding from product branding. Whereas product branding relates to a product which is present here and now, corporate branding is a more lengthy process as the corporate values that are portrayed need to sustain themselves through the different products the company chooses to implement over its lifetime. Therefore corporate branding becomes a more time-consuming process for a company because it needs to have a longer lasting perspective than that of some products. Corporate branding is also a somewhat more complex and strategically difficult endeavour than product branding, because this activity needs to be coordinated across the different sections of the corporation itself. Corporate branding is also more directed towards the corporation's stakeholders; the people who could be of interest to the corporation in a more direct business sense than that of the consumers. Moreover, corporate branding makes the corporation somewhat more vulnerable as it becomes more visible to the public than it would be if it merely lay behind a group of branded products. On the positive side, a successful corporate brand will help the corporation to more easily put other products onto the markets, either within the same category, or an entirely different one. This is because the corporation will have developed a sense of goodwill and trustworthiness with the market, meaning that a corporation will be able to leverage its success in one product category onto another category.[42]

There are different benefits in pursuing either a corporate or a product branding strategy, as mentioned above. One has advantages and downfalls that the other does not. However, it must be noted again that a corporate branding strategy is somewhat more complex to

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[41] Paragraph based upon article by H. Xey and D. Boggs,
http://www.emeraldinsight.com.zorac.aub.aau.dk/Insight/ViewContentServlet?Filename=Published/EmeraldFull TextArticle/Articles/0200240403.html
[42]http://www.emeraldinsight.com.zorac.aub.aau.dk/Insight/ViewContentServlet?Filename=Published/EmeraldFu llTextArticle/Articles/0200240403.html

implement than a product branding strategy as it deals with the whole corporation, as opposed to only one part. When using a corporate branding strategy a uniform message and image needs to transcend the whole corporation for it to be believable and successful.

### 5.1.3 Storytelling

When trying to get consumers involved in a brand, storytelling comes up as this is a form of communication often used to captivate employees, stakeholders as well as consumers. Therefore, storytelling is a term that is often associated with the development of a brand. Storytelling involves stories that have been connected in one way or another to the company or brand. These stories are meant to contain a conviction for the audience that creates meaning to them so that, instead of merely understanding the physical benefits of a brand, they see the underlying story behind the brand, which makes them connect more to it. Often the language used in storytelling will be informal and full of images, which again is to make the audience connect more to it (Rosholm, 2004).

> *"Storytelling is one of the oldest, most powerful modes of communication[…]and[…]researchers have found that storytelling is far more convincing to an audience than rational arguments, statistics, or facts."*(Kaufman, The Journal of Business Strategy, 2003: p. 11)

In proving this statement, the same author mentions a study where MBA students were divided into three groups, and asked to determine the potential success of an imaginary winery. The first group was given only statistics on the potential business. The second group was given statistics and a story, whereas the third group was given only the story, which ended with *"And my father would be so proud to sip this wine".* The outcome was that a majority of the latter group were positive about the prospects of the potential business, whereas the other two groups were predominately sceptical. (Kaufman, The Journal of Business Strategy, 2003) This goes to show the power of stories even among well educated individuals, and how stories, if they are told well and are believable, can move the minds of the consumers.

The main goal of storytelling is to create memorable images in the mind of the consumer, which should be easier to remember than statistics and other facts (Rosholm, 2004). Storytelling has the ability to make abstract notions about the values a company has more concrete, making them easier for the consumer to relate to and comprehend. [43] Storytelling is used to mirror images of the organizational culture and its values to potential customers as well as within the organization itself, where it can help build a unified picture of the organization in the minds of the people who work there. These stories can help the organization define who they are and what they stand for, as well as help build values into the different brands that the organization has (Fog et al., 2002).

It is important to mention that storytelling can be used in an organization in two ways; both within the organization and as well as to the outside. This is called internal and external branding. In internal branding storytelling is used by the management to convey different messages to its employees (Rosholm, 2004). For instance, when there is a change in the organizational structure and employees have to get used to a new way of working through a new leadership (Kaufman, The Journal of Business Strategy, 2003). Storytelling is used in external branding when communicating to the public, which is the kind of storytelling consumers are faced with. Both within internal and external branding the stories that are told are a conscious expression of the values that shine through the organization (Rosholm, 2004). To sum up, companies use storytelling to differentiate themselves and their brands. This is why storytelling can become an important aspect in the brand-building process. Through storytelling, the product is given more value by being wrapped in words, and a brand has the possibility of selling well, if it is placed within a unique story (Rosholm, 2004).

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[43] http://www.kommunikationsforum.dk/default.asp?articleid=12198

### 5.1.4 Branding on the Internet

In an article published in the journal of Marketing Management in the summer of 2000, called 'Branding on the Internet – *there is a way to put old economic rules and models into work on the Internet*' the authors, Larry Chiagouris, PhD and Vice President at eCode.com and Brant Wansley, director of client services for BrandMarketing Services Ltd, deal with the topic of how to successfully market a product online. They write that the Internet:

> *"[…]offers a huge advantage over traditional mass media. The speed people can move from awareness to action on the Internet is a true differentiator and challenge for e-marketers. This requires a new way of thinking about how to design Web sites and related marketing communications."* (Chiagouris & Wansley, Marketing Management, 2000: p. 36)

As this paragraph clearly states, there is a considerate potential for marketing one's products or services online, albeit the companies know how to use the Internet to its fullest potential.

According to the article, customers go through four stages in developing a relationship with a certain brand; what they call the 'relationship-building continuum'. The first stage is the customer becoming aware of the company that is marketing a brand; the second is where the customer becomes familiar with the company and learns about its products and services. The third stage is where the customer becomes motivated to buy a product, because he or she has learned about the different benefits that this will bring. The final stage is where a transaction occurs, what the article refers to as the *"consummation of the relationship"* (Chiagouris & Wansley, 2000: p. 36).

None of these stages can be circumvented just because the interaction occurs online. They still all need to be taken into account, and the challenge of Internet marketing is then to make all of these stages available through the same single message. This message will often be in the form of a website, because most banner advertisements, pop-up messages or other methods a company uses to get the consumers attention online, will lead to a company's website. The importance of this website is that no matter how far along the relationship-building continuum a prospective buyer is, he or she will be able to learn what is necessary, from the same single website, to either develop the relationship further or for making a

purchase. Hence, the difference in brand-building online as opposed to other mass-media is not how it is done or that the stages can be overlooked, but moreover *"the speed a brand can transition prospects to customers"*.(Chiagouris & Wansley, 2000: p. 36) In other words, how fast customers go from being aware of a brand to actually purchasing it. Because by simply using mass-media, a company sends the same message to everyone, not being able to take into account how involved the prospective buyer is with the brand at the time he or she receives the message. This, along with the before mentioned speed, is where the forte of branding on the Internet lies.

Moreover, the article mentions the importance of getting prospective buyers to voluntarily become involved with the brand through interaction: *"a volunteer's experience will almost always be more likely to result in the embrace of a brand than any forced viewing or consumption experience can ever accomplish."*(Chiagouris & Wansley, 2000: p. 36) This further exemplifies the effectiveness mentioned above in the paragraph about the Educational Brand, where it was recommended that the prospective buyer gets involved in the brand and becomes a 'prosumer' instead of just a consumer. This involvement again demands that the website is developed so that any consumer, no matter how involved he or she is, can learn what is needed to develop the relationship further. If the website succeeds in this, and makes it possible for consumers to enter into a dialogue with the company selling the brand, there is a greater likelihood that consumers become loyal to the brand as they will feel important and that their opinion matters (Chiagouris & Wansley, 2000).

## 5.2 Consumer behaviour on the Internet

In order to develop our analytical framework on how to use branding through viral marketing on Facebook, one of the important factors to examine is consumer behaviour. The marketer has to understand consumers in order to make effective marketing. It is important to have an insight into the consumer's mind and be able to foresee what is going to happen next. Therefore this paragraph will be dealing with a definition of consumer behaviour and elements within consumer behaviour that are relevant to this thesis.

The Internet has become a fast growing means of shopping, as there is no time constraint on online shopping, where shops are open all hours of the day. According to Peter & Olson, Internet users are drawn by the chance to browse among millions of options and maybe pick up a bargain or two in the process (Peter & Olson, 2002). These days where people are busy with work and family time, the Internet is an easy way to shop when there is time. Moreover the Internet is an easy way to compare prices, which is a possibility students often use:

> *"[…]the average student spends 22 hours a week online.*
> (Peter & Olson, 2002: p. 3)

A survey by USA Today found that many consumers turn to the Internet out of convenience as booking airline tickets and making hotel reservations is much easier online than through a telephone. Others use the Web for the enormous selection of products and services available. According to Peter & Olson, there are four questions that the marketer has to consider before trying to use the Internet as an advertising media. These questions are as follows:

*Step 1:* Whether people who want or need a product are also people who are Internet users. This means that if the target group mainly does not use the Internet or maybe only uses it to check emails, the Internet is probably not the way to reach this target group. Moreover, are these people willing to buy through the Internet?

*Step 2:* The size of the target market for the product or service and its geographic dispersion. In other words, if the target market is small and scattered, or if the market is a global one. In

both cases, the Internet can easily make products available to consumers wherever they might be.

*Step 3:* Whether buying the product through the Internet provides value to potential consumers. This can be cutting out the middleman, as the customer contacts the seller directly through the Internet, which can make the product cheaper. As an example, airline companies sell cheaper airline tickets on the Internet, because the airline company thereby alleviates having to pay an agent.

*Step 4:* Why consumers should buy through the Internet rather than more traditional modes of distribution. Even though marketers can portray many advantages for using the Internet when wanting to purchase a product or service, there are also disadvantages that keep consumers from buying through this medium. One of these disadvantages could be not being able to try out products before buying and the bother the consumer will possibly experience if the product does not live up to the expectations, fit or does not work as intended and therefore has to be sent back. Many users are, according to Peter & Olsen, afraid of paying for a product on the Internet, giving out personal information and credit card numbers, as they feel that there is a substantial risk of experiencing some form of identity theft, something that is not a familiar occurrence here in Denmark. Still companies are working on improving the safety issue at all time which continually makes it safer to shop online (Peter & Olson, 2002).

These steps are overall questions that have to be answered before entering the Internet. In connection to these steps are other factors that have to be taken into consideration, some of which will be explained in the following paragraphs.

### 5.2.1 Consumers

According to the American Marketing Association, cited by Arnould, Price & Zinkhan writers of the textbook Consumer Behaviour and Marketing Strategy from 2002, consumer behaviour is defined as:

> "[…]*the dynamic interaction of affect and cognition, behaviour, and the environment by which human beings conduct the exchange aspects of their lives."* (Arnould, Price & Zinkhan, 2004: p. 6)

This means that consumer behaviour is the study of how people buy, what they buy, when they buy and why they buy; thus it seeks to explain the decision making process that both individuals and groups go through when purchasing.

According to Arnould, Price and Zinkhan, research can be used in many different ways to assist managers in understanding their customers. One of the most *"[…]important applications of consumer research is to improve marketing strategies. In general, customers-oriented marketing strategies improve the value customers derive from products or decrease the cost of products to customers."* (Arnould Price & Zinkhan, 2004: p. 166)

According to Lars Perner, PhD assistant professor at Marshall School of Business, the study of consumers helps firms and organizations improve their marketing strategies by understanding issues such as:

- The psychology of how consumers think, feel, reason, and select between different alternatives (e.g., brands, products)

- The psychology of how the consumer is influenced by his or her environment (e.g., culture, family, signs, media)

- The behaviour of consumers while shopping or making other marketing decisions;

- How limitations in consumer knowledge or information processing abilities influence decisions and marketing outcome

- How consumer motivation and decision strategies differ between products that are different in their level of importance or interest that they entail for the consumer

- How marketers can adapt and improve their marketing campaigns and marketing strategies to more effectively reach the consumer.[44]

Understanding these issues can help adapt the advertising strategy to become more consumer oriented, by listening to the consumer and taking his or her thoughts and feelings into consideration.

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[44] http://www.consumerpsychologist.com/#Strategy%20Consumer%20Behavior%20and

**5.2.2 Consumer Values**

Values are an important factor when discussing consumer behaviour because they help determine what we think is right or appropriate, what is important, and what is desirable. Our point of departure, when talking about values, will be a quote from Marieke de Mooij, PhD doctor in Communications, which we find very relevant and which reflects what we find important when a company has to create a strategy behind a campaign:

> *"Values have cognitive, affective, and behavioural components. Although values are expressed in abstract terms, people generally know what their preferred "state of being" is* […]. *Values are affective in the sense that people can feel emotional about them. A value has a behavioural exponent in the sense that it is an intervening variable that leads to action when activated"* (de Mooij, 2004; p. 24).

With this quote, de Mooij illustrates that values are something that lie within all human beings. It is the way people think, feel, and behave that reflect their values. Moreover, she emphasises that values are among the first things a child learns when coming into the world, but it is not a conscious learning process. Rather it lies implicitly in the surrounding society and the people who are responsible for the child. It is common for values to exist through generations and de Mooij therefore argues that values are enduring. Even though a society faces rapid changes, the values of that particular society remain stable (de Mooij, 2004).

In order for general values to be applied to marketing the List Of Values can be used (LOV). The LOV is created by Kahle & Timmer and cited by de Mooij. This list is a simple, but effective, approach to values, because it is an easy way to categorise consumers and thereby make it easier for the marketers to create a certain marketing campaign strategy. The LOV consists of nine values.

- Sense of belonging

- Excitement

- Fun and enjoyment in life

- Warm relationship with others

- Self-fulfilment

- Being well-respected

- A sense of accomplishment

- Security

- Self-respect

(de Mooij, 2004; p. 25).

Clawson and Vinson were the first scholars to apply these nine values to marketing in the USA, and they also state that consumer values are a product of personal, social and cultural learning (de Mooij, 2004).

## 5.3 Communication in Advertising

On of the aspects of online advertising, and advertising in general, is the communicational aspect behind it. This following paragraph will evolve around communication, which we feel is an important aspect in designing the guideline for advertising on Facebook. This paragraph will show some of the more well-known and used communication models that are used in advertising. It is important to mention that we will only focus on communication in relation to advertising, as communication is also used in many other regards.

*"Over the years, a basic model of the various elements of the communication process has evolved*[…]*"* (Belch & Belch; 2007, p. 139) This communication model that Belch & Belch refer to, is a basic communication model that illustrates the different elements of the communication process that an advertising message must go through. The model is depicted in Figure 1. Flowing on from this, the different elements of the model will briefly be presented.

### Basic Model of Communication
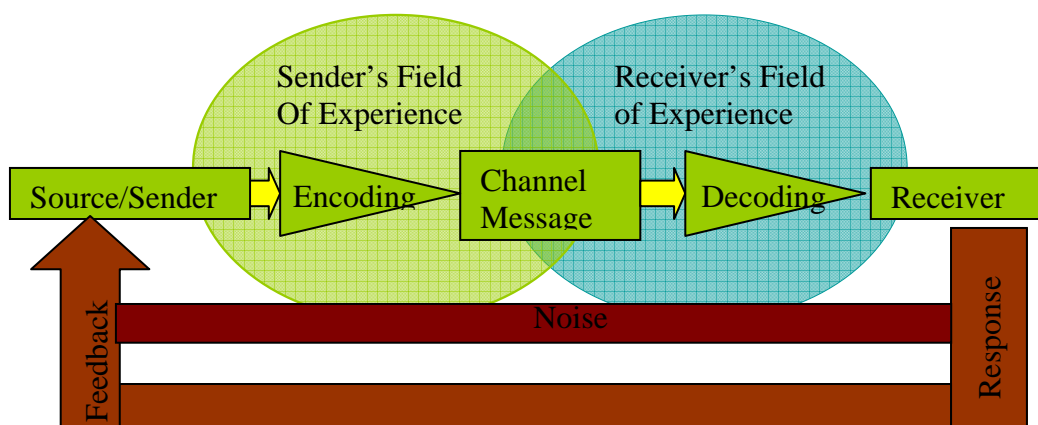


Figure 3                                        Belch & Belch, 2007; p. 139

**Source/Sender:** This is the person, company, organization or whoever has chosen, that some kind of information needs to be passed on to another person, group of people, or to the general public in a larger sense.

**Encoding** is the process that begins with the sender/source selecting words, pictures, symbols or the likes to represent the desired message, which needs to be conveyed to the receiver. In other words, the objective for the sender is to let the information in the message be represented either in the form of words or for instance in a symbolic form, which can be understood and remembered by the receiver. One example of a sender's successful symbolic encoding is the apple with the small bite taken out of it, that has become the Apple trademark and that we believe many consumers immediately associate with the company when they see it. Another example is the logo that 'Mercedes-Benz' uses on all of its cars.

**Message:** The message is what the encoding process leads up to. A message needs to be planed to fit the information in the advertising and also needs to be fitted with the desired target of the message, and there is further a need to determine what channel the message should be sent by. The message needs to be formed to fit the medium that is used as there is a big difference if the advertising is to be aired over the radio, or if it will be in the form of outdoor advertising.

**Channel:** The channel is, as mentioned above, the way by which the message is transmitted. At the broadest level, there are two kinds of channels that communication can pass by; *Personal channels*, which is direct contact between two people or between groups of people. Often, personal channels will be salespeople from a company, but also friends, co-workers and family can serve as a personal channel, which will often be equated to word of mouth (c.f. paragraph 4.1). *Nonpersonal channels* of communication will often be any kind of mass media: information where there is no direct contact between the sender of the message and the receiver.

**Receiver:** As the word indicates, the receiver of a message is the audience or target market that sees the message and decodes it in the intended way.

**Decoding** is the process where the receiver transforms the symbols, text or pictures in the message back into his or her own thoughts. This decoding should ideally match the encoding that the sender did, when initially creating the message. If this occurs, the message has been communicated effectively. However, an important aspect of this decoding is the receiver's **field of experience**, which is the same as field of reference. This is the environment that the receiver lives in, the receiver's attitude, perception and values, which helps determine how

he or she decodes certain images, words, pictures and the like. As Figure 1 shows, the sender is also situated within its own field of experience, which also determines how the sender encodes the message to start with. There is also an overlap of the sender's and the receiver's fields of experience, and the bigger this overlap is, the more these two will share regarding values, perceptions and so forth. In other words, the more the sender knows about the receiver, the more effective the message will be.

**Noise** is the outside factors that can distort the message on the way from the sender to the receiver. This distortion can be in the shape of a bad radio signal if the message is broadcasted through this medium, or if the receiver is distracted by various things or people at the very point of delivery. Noise can also occur if the sender and receiver have no common field of experience and therefore either encode or decode the message in a faulty way. The more common ground these two have, the less noise there will be in this regard. However, this will not stop other noise from affecting the receiver.

**Response** is the reaction that the receiver has to the message after having seen, heard or read it. This response can either be in the form of a non-observable action, which happens if the receiver simply stores the information in the message in his or her mind, or in the form of an immediate action if the receiver acts on the message instantly.

**Feedback** is the part of the receiver's response that is communicated back to the sender, and which many companies value a great deal, because it closes the communication circle and gives the sender an opportunity to know how the message has been decoded, and if the message worked as intended. This feedback can take many different forms, often depending on how the message was sent. If the message was via a personal channel, a salesperson will often be able to respond to any questions immediately. However, if mass media has been used, it is difficult for the sender to obtain this feedback as there is no personal contact. However, there are other ways companies can try to get this, for example through store visits, coupon redemption and inquiries (Belch & Belch, 2007).

After having dealt with this basic model of communication, we feel it is important to address the matter of integrated marketing communication; the issue of integrating a new

advertisement within the existing advertisement and within the organization itself, so that everything a company does is portrayed in a uniform manner.

### 5.3.1 Integrated Marketing Communications

After this introduction on the theory behind communication in advertising, we feel that it is important to include a paragraph about integrated marketing communication (IMC) as this is a term that we have often heard in connection with our studies, as well as knowledge about the importance of how a company chooses to advertise across different media. We do not intend to go in depth with the strategies behind IMC as this could serve as a thesis on its own, but merely outline the importance of implementing an integrated marketing communication when advertising.

In their textbook called Integrated Advertising, Promotion, and Marketing Communications, Kenneth E. Clow and Donald Baack write that there has been many different ways of describing what IMC is, but that there is a general consensus that:

> *"Integrated Marketing Communications (IMC) is the coordination and integration of all marketing communication tools, avenues, and sources within a company into a seamless program that maximizes the impact on consumers and other end users at minimal cost. This integration affects all of a firm's business-to-business, marketing channel, costumer-focused, and internally directed communications."* (Clow & Baack, 2007: p. 8)

As mentioned, when reading about IMC in different academic papers, there is not a general consensus on how to define the term, but most seem to agree that there should be a concept of thought, from which all communication should originate (Sheehan & Doherty, 2001). Put in a much more simplified way, IMC is the coordination of the communication that a company implements across different media as well as within the organization itself and towards the company's business partners. In other words; *The idea is to keep the company's total communication program in synch."* (Clow & Baack, 2007: p. 9)

What is generally thought to be the force of implementing an IMC into a company's advertising, is that the idea of all communication matching in some way or another, *"should*

*lead to synergism, the idea that each communication execution reinforces the other message regardless of the channel or the audience"* (Sheehan & Doherty, 2001). Inherent in this concept of IMC is, that implementing this into a company makes it easier and less confusing for the end user to see some kind of connection between the different advertising communications that this company does. If there is a clear connection between, for example a printed add, and a company's web site, the end user is much more likely to have a positive feeling about the company. In other words, *"each message becomes a sort of puzzle piece that will add up to the whole that is, in essence, the brand."* (Sheehan & Doherty, 2001: p. 49)

As already mentioned, there is no great consensus in the literature of what components need to be implemented into an integrated marketing communication, but Sheehan & Doherty mentions that the following steps, among others, have been agreed upon to be a good idea to consider when wanting to follow an integrated marketing communication.

**Synergistic Strategy:** The implementation of a system that takes into consideration the different target groups that a brand may have but also considers the target groups at the different stages of the decision making process. That is to say that there should be one basic communication strategy for each major target audience, in other words, that the message should be thematically integrated according to the target group.

**Tactical Consistency:** Important for an integrated marketing communication is the need for different 'retrieval cues' such as visuals or slogans for the consumer to remember. These cues need to reoccur through the different media which facilitates the consumers in learning about the brand and also creates brand knowledge structures which can help build brand equity.

**Interactivity:** Many definitions of interactivity tend to include aspects of the ability to control information. Interactivity becomes an important part of an integrated marketing communication, as organizations that implement this, tend to gather information about their consumers through different channels. This interactivity with consumers, need to start by the organization identifying people who are involved in the brand or who can potentially become involved. (Sheehan & Doherty, 2001)

### 5.3.1.1 Integration and the Internet

As mentioned in the introduction, the Internet has become a huge source of information as more and more people spend time, and moreover an increasing amount of time online. This has made the need for integrating the Internet into ones marketing communication even more important.

Having an online presence can facilitate the purchase process that a consumer goes through between becoming aware of a product to actually purchasing it. This is because the Internet allows for an immediate connection between having become aware of a product, often through the more traditional media to searching for additional information online, to the final purchase decision. Put differently, the Internet can build upon the product awareness that the traditional media has created, as the Internet allows for much more information than a printed or outdoor advertisement does.

## 6.0 Company Profile

This chapter will give a summary of the company Pebas; the organisation, its history and values. Moreover, we will give a summery or the chosen product, Grønne Gaarden. This chapter is based on information found on the company website, supported by our interview with Pebas' Marketing Manager, Charlotte Lerche. This chapter will be done with the intention of providing the reader with a useful overview of the brand, Grønne Gaarden as well as present the reader with the new soda. This overview will then be of use to us, combined with the interview with Charlotte Lerche, throughout our analysis, with the aim of using Pebas' new Grønne Gaarden soda as a tangible case study. Furthermore, it is important for us to know how the company today promotes their other Grønne Gaarden products, as it will be useful in our attempt to create a viral marketing strategy. This knowledge can help make the strategy more integrated.

## 6.1 The Company Pebas

The company Pebas was established on the basis of a meeting with a couple of English tourists that had brought a Soda Stream apparatus with them to Denmark. The founder of Pebas, Poul Erik Baek became very excided about the system and therefore contacted Soda Stream in England who gave him the licence to market the product in Denmark. Five years later he had a new factory built in Ringkøbing, to which he later added the production of concentrates to put in the soda streamers. Over the years, about ½ million soda makers were sold in Denmark, but during the 80's the growth eased off, and Pebas starting looking for new opportunities.[45]

Pebas was founded in 1973 and is owned by Aqua Artis Holding A/S and both production facilities as well as administration are based in Ringkøbing, Denmark. The products manufactured are fruit-juice based soft drinks, in the form of 'concentrates' or 'ready-to-drink'. About two-thirds of the turnover comes from sales in Denmark, where products are sold through both private labels and via catering and convenience stores. The rest is

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[45] http://pebas.dk/Web/Dansk/Samarbejdspartnere/Pebas-sam/Historie-sam

exported to countries in Northern and Central Europe.[46] Pebas do not have the economic stability or labour force to start selling their branded products outside Denmark, and the products that they sell internationally are private labels. However, there is the exception of one product, sold in Sweden, which is identical to Grønne Gaarden, although this is marketed under a different name.

> *"På det udenlandske marked har vi kun private labels. Vi har ikke økonomien til at udvikle vores produkter på det udenlandske marked selv. I Sverige har vi et private label der er fuldstændig det samme som grønne Gaarden's koncentrat, men under et andet navn."* (appendix 1, question 20)

There is about 40 employees at Pebas. These people are placed in Ringkøbing and work in production ad administration. Work in production is highly seasonal; therefore, during the summer period, employment rises to about 60 people. The sales department is an extern company, Fritz Schur A/S, which handles the field-sales and work as a service organisation for Pebas' customers.[47]

### 6.1.1 Grønne Gaarden

The brand chosen for this thesis is Grønne Gaarden, which is an ecological brand. The making of this brand was made possible when Pebas in 1998 moved into a new factory and installed a production line capable of bottling in a cold and sterile environment, with a brief pasteurisation period as the only form of preservation. This drink only contains natural, organic ingredients and flavours as Elderflower, Cranberry/Apple, and Blueberry etc. This way of creating a product reflects Pebas' slogan 'Just a Drop Better', as no additives or colourings are added.[48] According to Charlotte Lerche, Grønne Gaarden is today in a leading position in Denmark, which would have been unimaginable for many non-believers, when the production or organic drinks started in 2000 (appendix 1, question 1). In the beginning, not many people believed in the concept of ecological soft drinks, but slowly and surely Grønne Gaarden started making its way onto the market.

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[46] http://pebas.dk/Web/Dansk/Forbrugere/Pebas-a-s
[47] http://pebas.dk/Web/Dansk/Forbrugere/Pebas-a-s/Organisation
[48] http://pebas.dk/Web/Dansk/Forbrugere/Produkter/Oekologi

*"[…]der var ikke så mange kæder der troede på produktet, men så tog det lige så stille fat. Det var den her humlebi der ikke troede den kunne flyve."*(appendix 1, question 1)

Today there are three products underneath the brand Grønne Gaarden, with a fourth one planed for introduction at the end of this year (appendix 1, question 15). It all started with the concentrates in 2000. In 2002 the ready to drink version came, and now in 2008 Pebas has introduced a new organic soda (appendix 1, question 1). Both the concentrates and the soda are sold in retail stores and Pebas is now trying to enter the convenience-market with the soda as will. The ready to drink is available in restaurants and in some convenience stores, but not sold on the retail market. However, sometimes consumers are able to buy these in some retail stores, which Pebas cannot prevent as some retailers pull from the same grosser as convenience stores do (appendix 1, question 3).

Grønne Gaarden soda is produced in half a litre plastic bottles, with labels matching the concentrates and the ready-to-drink, as Pebas want to illustrate that the three products are related. This was not the case from the beginning, where the concentrates and the ready-to-drink labels were very different. After introducing the soda, this all changed, and now there is no doubt for the consumer that all Grønne Gaarden products are related.

The soda is available in six different flavours; orange, 4 red fruits, strawberry-elder flower, lemon-lime, bitter lemon and ginger ale. After consulting a focus group, Pebas have decided not to produce a cola flavour, as the consumers in the focus group did not believe that cola corresponds with the organic aspect of the product.[49]

After the introduction of the soda and a 'secret' product later this year, Pebas are, according to Charlotte Lerche, going to sit back and take it slow regarding new product introductions, and focus on keeping the consumer interested in the products under the brand Grønne Gaarden (appendix 1, question 19).

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[49] Visual of the new  Grønne Gaarden soda can be seen on the front page of this thesis.

## 6.2 The Rise of Ecology in Denmark

We think it important to briefly mention the matter of ecology in regards to our case on Pebas, not just blindly to believe our own intuitions, which tells us that organic products have become more diverse as well as more present in retail stores during the last couple of years. This short paragraph on ecology in Denmark will be based on statistics from Danmarks Statistik from 2007, unless otherwise written. This is a website which collects statistics on every conceivable matter in Denmark on a yearly basis. These statistics have been gathered from the sales of organic products in major retail stores in Denmark.

Sales of organic food and beverages have risen with 33% since the preceding year, which was 2006 as statistics for obvious reasons have to be gathered for the whole of the calendar year, before they can be calculated. With this increase of 33%, organic food and beverages is now a 3.6 billion D.Kr business in Denmark. In comparison, this section within the retail business has increased by 77% since 2004. These statistics has been divided into different food groups, and the group of most interest in relation to our specific case, is the one called 'organic beverages', such as juice, concentrates, wine and the likes. This group has experienced an explosive growth and has increased by 285% since 2004, but is still a rather small segment, regarding sales, within the organic market. All in all, the statistic shows that all of the food groups within organic foods and beverages have increased in sales during the last couple of years (Nyt fra Danmarks Statistik, 2007).

In regards to who among the younger generations in Denmark, is more likely to buy organic products, a publication from 2003 on young peoples knowledge and attitude towards ecology states that there is a substantial knowledge about ecology amongst 15 year olds.[50] The survey further documents that between a fourth and half the 9th graders surveyed 'usually' or 'some times' buy organic products when shopping themselves, and that more girls compared to boys believe that organic products are better for their health.[51] Another survey, done by the Danish Consumer Council in November 2006, has been cited in a presentation on 'where ecology is headed' by Dansk Landbrug. This presentation, based on

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[50] The survey was done among the pupils in 40 9th grades.
[51] http://www2.mst.dk/Udgiv/publikationer/2003/87-7614-014-8/html/kap11.htm

numbers from the above mentioned survey, shows that the increase of money spent on organic products is not dependent on the total income of the family, derived from the fact that spendings on organic products amongst students and families with an income below 300.000 D.Kr had gone up by 41%.[52] This presentation also mentions that the rise in organic products is partly due to the fact that many in the Danish society have become richer as a whole, but also because ecology has become trendy.[53]

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[52] http://www.lr.dk/planteavl/informationsserier/info-planter/plk07_c9_1_k_l_jensen.ppt#278,2,Stigende%20salg%20af%20økologi
[53] Ibid.

## 7.0 Analytical Framework

This following chapter will serve to outline how the analysis chapter will be structured, as well as explain how we intend to fuse together the different theoretical elements that have been presented until this point. In this chapter we will bring out the aspects of the theory, that we find the most important and describe how they will intertwine in our analysis on how Pebas can go about advertising through viral marketing on Facebook. We aim to use the theory behind branding, communication in advertising and consumer behaviour, which we will combine with the elements of viral marketing. Through this, we will give tangible recommendations in relation to the viral marketing strategy that we feel Pebas should pursue. Viral marketing and branding will be the main elements of our analysis, as these two theoretical approaches will be the backbone of our development of the strategy for Pebas. The structure of the discussion will be as follows.

The first paragraph will deal with the elements that Pebas have to consider before creating the viral marketing campaign. Therefore paragraph 8.1 will take its point of departure in the theoretical paragraph on 'creating a viral marketing strategy', where we will use the interview with Charlotte Lerche to analyse what questions Pebas are facing now regarding their products and their consumers. Further, we will comment upon what prospects Pebas have for the new soda in the near future. Throughout paragraph 8.1 we will use the communication model (c.f. paragraph 5.3), to illustrate the steps the viral message will go through. The model will be used to illustrate who and what, in connection to Pebas, replaces the different steps compared to how the initial model looked, when it was first presented. In other words, we intend to place Pebas and the new Grønne Gaarden soda within the model and comment upon these.

Paragraph 8.2 in our analysis will take its point of departure in the theoretical paragraph about branding (c.f. paragraph 5.1). We feel that branding is the theoretical element that makes the basis of most advertising, as it, all else being equal, must be more difficult for a company to enjoy the benefits of advertising, if it does not have a brand; that being either a product or a corporate brand. Within this paragraph we will discuss whether Grønne

Gaarden soda shall be advertised as a corporate or a product brand. This is something Pebas needs to keep in mind, when deciding how to develop their advertising strategy. In connection to this, the matter of brand equity will be discussed as well as the topic of how Pebas have decided to price their soda in retail stores, where it is currently sold.

Moreover, we will also discuss consumer behaviour in relation to our case, as it is important to consider the aspect of what your consumers need and want when introducing a new product to the market. Furthermore, we will discuss the element of values. We believe values to be of immense importance in branding a product as these, in Pebas advertising campaign have to reflect both how Pebas want their company and brand portrayed, but also have to play upon values that the target group can relate to. These values will be derived from the existing values connected to Grønne Gaarden but also, and more importantly, they will be analysed on the basis of the target group that Pebas have decided to aim the new soda at. Additionally, we will discuss how we believe Pebas can create a campaign that moves the consumer to become 'prosumers' which occurs when a company succeeds in making the consumer connect to the product. In our case, this can help spread the message to friends, family and co-workers by viral marketing.

Tying together the preceding paragraphs, we will in the last paragraph, paragraph 8.3, use the theory behind storytelling to create our suggestion to how the elements that we have identified as being of importance, can be used in a viral marketing campaign on Facebook. This will be done, as we believe that stories can aid in moving the mind of the consumer. Moreover, using stories can help Grønne Gaarden create memorable images in the mind of the consumer and is further a means of enabling the consumer in remembering abstract notions about certain aspects of the brand.

# 8.0 Analysis

Our analysis will be developed on the basis of the analytical framework in chapter 7.0, and on our interview with Pebas' Marketing Manager, Charlotte Lerche. Moreover, as mentioned in the analytical framework, we will use the theory behind viral marketing as the overall topic throughout this analysis, with the communication model and the communication theory in paragraph 5.3, as our point of departure. This chapter will commence by dealing with the decisions that have to be made, and the aspects that have to be considered, before creating a marketing communication strategy. Thereafter, we will comment upon choices concerning the branding process of Pebas' Grønne Gaarden soda, where the different aspects of consumer knowledge and behaviour will be dealt with, in regards to which values Pebas should try to invoke in the consumer. These paragraphs will further be the structural foundation for paragraph 8.3, which will be a more creative portrayal of how Pebas can develop their advertising through storytelling.

## 8.1 Considerations on Crating the Strategy

This paragraph will be created on the basis of chapter 4.0, more specifically paragraph 4.4 on how to create a viral marketing strategy. Furthermore, we will use Belch and Belch's communication model depicted in the theory chapter, as we believe this model gives a good overview of the different communicational aspects, that Pebas will have to consider when promoting their Grønne Gaarden soda.

**Basic Model  of Communication**
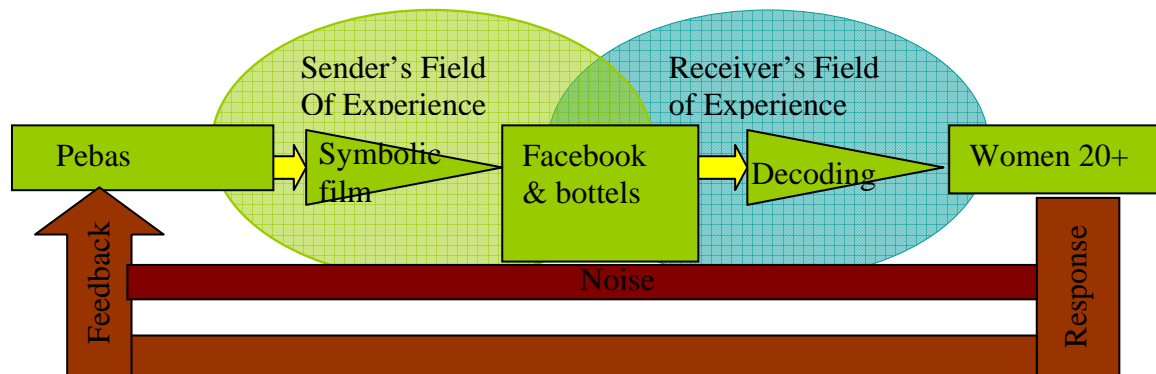


Figure 3 - revised                                    Belch & Belch, 2007: p. 139

This figure will be used throughout the paragraph and be explained along the way, so the reader gets an understanding of what elements have replaced the existing elements in the model, in relation to Pebas' case on promoting the new Grønne Gaarden soda. However, it is not possible to give a specific answer to some of the parts of the figure, as this campaign is merely a fictitious recommendation, which makes it difficult for us to determine, for example, how the decoding process will be. Nevertheless, both the encoding and the decoding process are matters that will be dealt with throughout our analysis as we, in this, will examine what elements we feel Pebas shall incorporate in the advertisement, as we believe them to be decoded in a particular way by the target group.

On the basis of our interview with Charlotte Lerche, we have chosen to use Pebas' newest product, which is an organic soda, in this analysis chapter. The new soda is a product under the brand Grønne Gaarden and is already in stores, but has not yet been promoted (appendix 1, question 1). This gives us an opportunity to suggest a strategy without being influenced by advertising that has already been done for the same product. Instead we will look at the promotional material that has been used to advertise Grønne Gaarden concentrates, as the soda will also be sold in retail stores as the concentrates are now. Taking into consideration the promotional material shown in appendix 2 will help us develop as integrated a viral

marketing campaign as possible, which will help portray Grønne Gaarden in as uniform a manner as possible.

As we do not have a creative background, we will not develop the end-advertising product in our envisioned complete creative version, but merely develop the strategy behind it. We will however, set the scenario for the reader, of how we feel the advertisement shall be, as this will help us get our points across in a more understandable and colourful way. These scenarios will be developed according to our theory and our own opinions of what fits this campaign. Moreover, we will create a rough sketch of how we see the advertisement developed, shown in appendix 3.

Going into this thesis, we believed, and still believe, that Facebook can be an influential channel for advertising a product, as there, on social networking sites, exist the possibility for an almost endless consumer base. When talking about Facebook as a channel, the question of whether this serves as a personal or a non-personal channel becomes evident. If a personal channel stands for the direct contact between two people or groups of people, and non-personal channels are those, where there is no direct contact between the sender and the receiver, we argue that Facebook must lie somewhere in between these two. This is based on the matter that a user, through Facebook, can send the same message to a lot of Friends at the same time, or can choose to only forward a message to chosen Friends. In this action a personal recommendation lies, which goes from the sender to the receiver, but there is no direct contact between these two parts. However, there might be a direct contact and talk of the message at a later point between the sender and some of the receivers, as Friends on Facebook may also be friends in real life. Furthermore, there is the option of sending messages to each other on Facebook, where the advertisement can also be discussed as well as the option of posting your comments underneath the advertisement. Therefore we feel that what is recommended through Facebook is a form of personal contact, while at the same time delivering the same benefits of communicating with large groups as non-personal channels do.

We suggest for Pebas to use Facebook as their channel and create some kind of small movie or comic strip that can be uploaded to YouTube and thereafter downloaded to the user's Facebook profile, where he or she can share the video with his or her Friends. Due to the fact that Pebas do not have a large budget for this campaign and have not heard back from the EU yet, where they are pending an answer of whether or not they will be granted any money to use on advertising for the new soda( appendix 1, question 1), we will develop a strategy that does not necessarily have to cost a lot of money, but that, never the less, will be effective, because it will contain elements that have been proven, throughout our theory chapter, to be of importance when creating a viral marketing strategy.

When writing this analysis, we will have Dr. R. Wilson's six basic elements within a viral marketing strategy in mind (c.f. paragraph 4.4). According to Dr. R. Wilson, a viral marketing strategy, does not have to include all of the following six elements, but the more it contains, the better, as many of these elements are powerful ones. Therefore, the more elements the viral marketing strategy contains, the more effective it will be. The six elements are as follows, and in the upcoming paragraphs we will refer back to these when we explain how we intend to use them.

1. Include product or service giveaways

2. Make it easy to transfer the information to others

3. Scales easily from small to very large

4. Exploits common motivations and behaviours

5. Utilizes existing communication networks

6. Take advantage of other recourses.

Referring to the communication model, the **sender** behind this new product is Pebas, but as the product will be advertised under the brand, Grønne Gaarden, the corporate name will not appear anywhere in the comic strip. This is simply to not confuse the consumer with too many names, as it has been documented that the consumer does not necessarily know Pebas and therefore might become confused if presented with a name that they do not know

alongside a Grønne Gaarden product. However, it is still Pebas that is the sender of the message.

We would like for Pebas to **encode** the message through a symbolic film, which will be elaborated on later. The **message** Pebas should get across to the consumer is that they are launching a new Grønne Gaarden product, an organic soda, that is low in carbon dioxide and is an addition to the organic family. We will give a further elaboration of the message in paragraph 8.3.1.

According to Charlotte Lerche, Pebas do not have the economy to create big expensive campaigns, which is why they primarily have been using magazines as a **medium** to make consumers aware of the concentrates up till now. The 'ready-to-drink' product has only been advertised through the people selling it at restaurants and cafés, which is more a personal recommendation than it is advertisement. The magazines that have been used are all published by Egmont publishing, and corresponds well with the target audience, who reads 'Vi Forældre', 'Alt for Damerne' and 'Hendes Verden', as the target group for Grønne Gaarden concentrates has been set at 25+ and those who shop for the household.

For the new Grønne Gaarden soda we suggest for Pebas to use the social networking site, Facebook, as it is an inexpensive and easy way to communicate the message to the target group. Pebas have also been using their product-bottles to promote new products, flavours and contests, placing a sticker with information on the bottles (appendix 2). This can also be useful in the case of the new soda, as it is an inexpensive, but effective way to create awareness about related products. Placing stickers promoting the new product on all of the products within the Grønne Gaarden family can create attention for people who already buy Grønne Gaarden products, and thereby further establish the relationship that exists between these consumers and Grønne Gaarden. On the bottles, both concentrates, 'ready-to-drink' and the new soda, we suggest placing a sticker telling the consumer to go to YouTube and view the video about the new Grønne Gaarden product. We believe that when uploading a video to YouTube, provided the video appeals to the viewer in one way or another, we believe it will eventually end up on Facebook, or other social networking sites as there on YouTube is the possibility to share a video through some of these sites. This refers to one of

the six elements that should be contained in a viral marketing strategy, as it is easy for the user to pass on the message (c.f. paragraph 4.4).

At the end of the video there should be a link guiding the consumer to go to www.frugtdrik.dk, this is Pebas' website for the brand Grønne Gaarden. Here we suggest Pebas to create a contest where the consumer can win 'free' Grønne Gaarden products; another element that, according to Dr. R Wilson, a viral marketing strategy should contain.

At this point, it is more or less impossible for us to discuss the **decoding** process within the communication model, as it is a process that is not only influenced by the message Pebas want to get across, but also by the consumer's own thoughts. As described in paragraph 5.3, the decoding has to be the same as the **encoded** message for it to be an effective communication. Due to the fact that the campaign, as we envision it, will probably never be used in its entity by Pebas, we cannot determine how the consumer will understand the message, and if this will be the same way that Pebas intended.

### 8.1.1 Points to Consider

Before discussing values and consumer behaviour, we find it important to emphasise that there are points and aspects that Pebas need to consider about the outcome of the upcoming viral marketing campaign, before embarking on it. To answer these questions, we will use the steps presented in paragraph 4.4, as these have been developed with this particular purpose in mind. These questions will be answered on the basis of our interview with Charlotte Lerche.

*What do I want? Realistic goals?* According to Charlotte Lerche, Pebas would like to sell the new soda through retail stores as well as in restaurants. As it is now, the concentrates are sold in retail stores and the 'ready-to-drink' is sold in convenience stores, restaurants and cafés. With the new product, Pebas want to enter both markets and apply to the same target group as the 'ready-to-drink' product. In other words, Pebas aim to enter the new soda as widely as possible across different markets to get as large a distribution as possible. We believe this is a conscious choice by Pebas as they want to compete with the existing brands and products that are on the market in both retail stores and restaurants, but also to get as

wide a recognition as possible. In regards to whether this is realistic or not, there is no doubt that Pebas think so. We, as well, believe it to be possible for Pebas to enter these markets. As for Pebas' economic goals for the soda; we will not be able to determine these, as our interview did not entail questions on the monetary aspects.

*What do my customers want and need?* Pebas have never done any consumer analysis on what their consumers want nor need, so the decision to introduce a soda under the Grønne Gaarden brand has not been built on an analysis such as this. All Pebas have ever done, is some analysis on whether consumers are familiar with the brand Grønne Gaarden (appendix 1, question 12). Still, Charlotte Lerche believes that the consumer wants and needs this product; an organic soda. This is based on the assumption that there, at the time of introduction, was a hole in the organic market for a soda, as there were no major manufactures of organic sodas, and none at all that made an organic soda in half a litre plastic bottles (appendix 1, question 8). With this introduction of a half a litre plastic bottles, we believe Pebas leverages the need that many consumers have of carrying around a bottle with them all day; at school and when travelling from place to place.

*What is my target group?* The target group for Pebas' Grønne Gaarden soda is women 20+; women who do not necessarily have children. This is contrary to the target group for the concentrates, which is the person in the household responsible for grocery shopping, where the age group has been set at 25+. The new soda is intended to appeal to individuals who mainly buy for themselves. However, a conscious decision to target the female population has been made, as Pebas believe women have a desire to buy a quality product for their own satisfaction more than men have. Moreover, Charlotte Lerche believes, on the basis of the history of the 'ready-to-drink' product, that Pebas have to turn to women as the initial buyers, and thereafter get men to buy it as well, which was the case with Pebas' Grønne Gaarden 'ready-to-drink' (appendix 1, question 8). Therefore Pebas would like to appeal to women, as they believe these value quality and ecology (appendix 1, question 13).

*How am I communicating with my customers now?* The product chosen for this strategy is a rather new one, and therefore Pebas have not yet advertised it in any way (appendix 1, question 11). As of finishing this thesis, the product is not even on Grønne Gaarden's website, www.frugtdrik.dk yet. Therefore, we will use the advertising material that has been used to promote the Grønne Gaarden concentrates, to create a strategy for the new Grønne Gaarden soda, and to give our opinion on how an advertisement can be developed. As mentioned before, we see social networking sites as being a new and interesting way of promoting a product, especially since the target group for the soda fits the age group of many Facebook users (c.f. paragraph 2.2.1).

*What market position do I want? Cheep or exclusive?* Charlotte Lerche is very realistic about which market position the Grønne Gaarden soda will hold on the market. She is well aware that it will be a mistake to compete with big brands as Coca Cola, as they have an economy that puts them into a league of their own. Nevertheless, Pebas have chosen to price Grønne Gaarden soda around the same as a Coca Cola. This means that they make an organic brand an affordable alternative to a more well-known and established brand, such as Coca Cola (appendix 1, question 7). It is very important for Pebas not to overcharge for the product, but to offer it at a fair price.

> *"Jeg sætter hellere en ære i at gøre økologi tilgængelig. Hvor mange går ind og laver et feinschmecker produkt der koster det blege og kun lige skal distribueres her og der. Hvor jeg synes det er fedt at være med til at lave et produkt hvor alle kan være med."* (appendix 1, question 7)

As Grønne Gaarden is not an internationally known brand and does not have the same brand power as Coca Cola and Pepsi, it would be inadvisable to price the soda at a higher price than these brands have done on their products, as this could make the consumer opt out of trying the new soda. We believe that, even though Pebas, in our suggestion on how best to develop a viral marketing campaign, will succeed in making aware of the soda, the hurdle of getting consumers to buy and taste the product initially, still exists. We further believe, that it is easier to get the consumer to taste a product which is priced within the

same range as the product they would probably have bought, if they had not been faced with the choice of a new product, as they will not have to pay a surplus price to what they had originally intended.

*How do I differentiate my product from my competitors?* Pebas differentiates their Grønne Gaarden soda through offering it in plastic bottles, which they are the first to do (appendix 1, question 16). This can prove to be an important factor of differentiation, as it is easier for the consumer to carry it around with them, not being afraid of breaking the bottle. Moreover, Pebas differentiate the product from other sodas, as they have made sure that the product is low in carbon dioxide, which is an attribute that, according to Charlotte Lerche, is important in appealing to female values, which will be further elaborated on in paragraph 8.3.1. Moreover, one of the reasons why Pebas have chosen to appeal to women 20+, is that established brands like Coca Cola and Pepsi are already major players on the market for 'tweens' and teenagers, as these brands have the money to use whatever medium they feel applies best to the target group; media such as television and cinemas. Coca Cola and Pepsi further have the economy to get the attention of this target group by for example, offering consumers to enter a contest through text messaging, as well as buying the expensive, well-exposed locations in retail stores (appendix 1, question 5+11). Therefore Pebas have chosen not to openly compete for this target group, but as we recommend for Pebas to use Facebook, they will most likely reach consumers within the 'tween' and teenager target group, as it is possible to create a profile on Facebook from the age of 13. Further Charlotte Lerche mentions that the target of 20+ for the soda could possible move in either direction (appendix 1, question 8).

*Do I want to sell my product through B2B or B2C?* Right now Pebas have three products under the Grønne Gaarden brand, where the 'ready-to-drink' is sold through convenience stores, restaurants and cafés. The concentrates are only sold through retail stores, and the thought with the new soda is for it to be sold through retail stores at first, and later, in cafés and restaurants as the 'ready-to-drink' (appendix 1, question 3). In other words, Pebas aim, in the long run, to distribute the soda as widely as possibly, reaching as many consumers as

possible. However, Pebas will probably never sell the soda directly to the consumers, B2C, as they have no retail stores that they own themselves, or sell directly to the end consumer, through, for example, the Internet.

*How can I promote my product?* As mentioned, Pebas do not have the capital to create a big campaign and promote the soda through several expensive media. As pointed out, Pebas is pending an answer from the EU about a contribution to the campaign, so they do not know if they will get the money to launch an elaborate campaign (appendix 1, question 1). Moreover, Charlotte Lerche mentioned, at the end of the interview, that they had given social media some thought regarding promotion of the soda, and now that they were working with us, they would await the completion of this thesis before taking further action on the matter (appendix 1, question 21).

After considering these steps and commenting on the elements in the communication model presented at the beginning, we feel that we can start working on the viral marketing campaign, as our questions have been answered, and we have seen the promotion material used for the Grønne Gaarden concentrates. In the following paragraphs we will comment upon the rest of the elements within the communication model that have not been dealt with yet, and we will make it clear to the reader when we are elaborating on these elements, as they will be marked in bold writing.

### 8.1.2 Using Viral Marketing

After having gone through the preliminary thoughts and decisions before initiating the campaign strategy, we will now discuss how we believe Pebas can use viral marketing to promote Grønne Gaarden soda, as we believe it to be important to make the viral marketing campaign as appealing as possible to the target market.

We believe that Pebas should create a viral message that incorporates values, which have been identified to be of importance to, and create meaning with, the target group. These values will be discussed in paragraph 8.2.4. As discussed in the previous paragraph, we suggest that the viral message should be a video, which does not have to be expensive, as it

can be created as a comic strip. This comic strip can just as easily relay the message as a short movie can, and will be dealt with in detail in a later paragraph (c.f. paragraph 8.3.).

A factor that, according to the communication model, plays a part when advertising on the Internet, however, is **noise**. If there is too much noise around the message, there is a risk that the message will not be decoded the right way. Noise that can pose a threat to the viral marketing message can, in this case, be too much movement on the Internet, movement, such as colourful banner ads flashing around the message. If the message does not catch the interest of the consumer at first sight, the consumer is more likely to look elsewhere and maybe even click to another website. From our own experiences on Facebook, we know that users are sometimes bombarded with messages forwarded from Friends, which can make people feel 'spammed' and uninterested in seeing what the message contains.

The consumers who are the **receivers** of the message are women 20+, and according to our own observations on Facebook, these consumers are present here. We further believe that Pebas shall initially try to get the message out to the consumers that know of Grønne Gaarden, and actively make these 1. level consumers. Pebas shall try, through the stickers on the product bottles, to lure these 1. level consumers to YouTube, which we feel is possible as they already have knowledge of Grønne Gaarden and furthermore are loyal towards the brand at the current time. On YouTube, the idea is for these 1. level consumers to watch the video and thereafter download it to their Facebook profile, and share it with Friends. Through this, Pebas will reach more consumers, maybe even consumers that have no, or only little knowledge, of Grønne Gaarden.

It is important that 1. level consumers have a positive disposition about the products within the Grønne Gaarden family. Because they have already bought Grønne Gaarden products before, they are likely to try a new product under the same brand. As mentioned regarding the stickers, it is our intention to utilize the existing communication networks that Pebas have, which Dr. R Wilson also mentions in his six elements. Moreover, we are not oblivious to the fact that employees within the company can also act as a medium for advertising the new product, as well as the video on YouTube. Moreover, if employees have a profile on

Facebook, or their children do, this will be an obvious way to start the viral marketing campaign.

The last three stages within the communication model are, as mentioned, not possible for us to know anything about at this moment, but we will comment upon aspects that we feel Pebas shall look out for and possible scenarios for the three stages.

R**esponse** will be if the consumer passes on the message to Friends on Facebook, entering the contest and buying the product. It is not possible for Pebas to monitor to whom and to how many possible consumers the message is sent through Facebook, but they will however be able to see how many times the comic strip has been viewed on YouTube. Moreover, it is possible for the company to monitor the hopefully increased sales as well as how many people enter the contest that we mentioned earlier.

Concerning **feedback**, Pebas do not have any direct contact with the end consumer and can therefore not get feedback unless the consumer contacts the company with questions or complaints. Moreover, Pebas is not, according to Charlotte Lerche, doing any analysis on consumer behaviour or satisfaction at the moment, and will probably not be doing so in the near future (appendix 1, question 12). All Pebas have done so far is analysis on whether consumers know the brand Grønne Gaarden. It would, however, be a good idea to do some research about consumer knowledge after launching the advertising campaign for Grønne Gaarden soda, as this can help Pebas learn if this viral marketing campaign has improved knowledge about the brand.

## 8.2 Branding in Relation to Pebas' Grønne Gaarden

The following paragraphs will deal with branding in relation to Pebas implementation of the new Grønne Gaarden soda. We aim to give our view on how we feel the product shall be branded, which will be established on the basis of our interview with Charlotte Lerche as well as on what we have learned about branding and values in the theory chapter of this thesis.

As derived from the understanding of branding learned in the theory chapter, the branding of a product is what can either make it or break it. In other words, branding can help a product become eminently successful, if branded in the right way, or it can be the demise of the product, if branded in the wrong way. In the following, we will examine how we feel Pebas can brand their Grønne Gaarden soda, so as to establish the product in the mind of the consumer.

### 8.2.1 The New Soda; Corporate or Product Brand?

There is no need for Pebas to put any thought into whether they should advertise this new soda under their corporate brand, Pebas, or whether it should be as a product brand, because, according to Charlotte Lerche, hardly anyone knows Pebas by name, as it has never been used in any form of advertising campaign (appendix 1, question 5). Therefore, the new soda should be advertised as a single product under the Grønne Gaarden brand. The fact that Grønne Gaarden is a rather known and acknowledge name, however poses another question. In a sense, Grønne Gaarden can be argued to be the corporate brand in the mind of some consumers, because only a few people know Pebas, further confirmed by Charlotte Lerche who mentions that costumers sometimes in email write "Dear Grønne Gaarden" because they literally think that Grønne Gaarden is the name of the corporation (appendix 1, question 5). If Grønne Gaarden is seen as the corporate brand, the three, soon four products (appendix 1, question 19), underneath this brand in a sense then become product brands. Not separate product brands in the same way that other isolated product brands are, but a fusion of a corporate and a product brand. As stated in the theory chapter on branding, there is a risk that products, if branded under one single corporate brand, all suffer if doubt or discredit is placed upon one of the products. Discredit can, in this case, be on the matter of

ecology, if the consumer begins to doubt if Grønne Gaarden products are in fact organic (appendix 1, question 7). On the other hand, if all products are branded separately, it can be hard to leverage the validity that a corporate brand can hold onto all of a company's products.

In the existing advertisement for Grønne Gaarden concentrates, Pebas have focused more upon the brand, Grønne Gaarden, than the attributes of the product; they have in fact advertised the brand more than the product. In the enclosed appendix 2, it can be seen that a substantial part of the page is dedicated to Grønne Gaarden, whereas the product itself only plays a minor part. Pebas have been able to build up Grønne Gaarden as a liked and somewhat favoured product, in the mind of the consumer, which must be derived from the fact that Grønne Gaarden is in the top three within the soft drink market (appendix 1, question 1). However, the question of whether Pebas' Grønne Gaarden will be able to maintain this position in the top three regarding the soda remains to be seen. The market where Grønne Gaarden is a major player is, according to Charlotte Lerche, within the overall market of concentrates and juices. So with the introduction of the soda, Pebas enters Grønne Gaarden onto a much larger market, where we doubt they will be able to maintain a top three position; in this forum, the soda will probably be more of a niche product. We feel that Pebas shall change their frame of competition to be that of only organic products, regarding the soda, as we doubt they will be able to compete with manufactures such as Coca Cola and the likes. This leads us to thinking about consumer behaviour.

Pebas have never done any consumer behaviour research from which to analyse what the consumer thinks and feels about their products, as well as explore what additional products consumers could be interested in (appendix 1, question 12). Therefore, it could be argued that it is a somewhat risky move by Pebas to introduce a soda without even knowing if there is a market for it. Pebas' reason for deciding to launch this new soda was purely a 'gut-feeling' (appendix 1, question 12). However, Pebas did have a focus group interview to validate their choice of flavours of soda (appendix 1, question 7). We are not saying that the introduction of a soda is a bad decision, but merely mentioning that it might be a bit of a gamble. The reason why we feel this, is that Pebas, with the soda, is entering a different

marked than they have been in so far. They are now competing with international players who are so powerful and established, that Pebas will never be able to touch them, whereas Pebas before were the major players within their own market. We feel that, in order to compete on the soda-market, Pebas must be able to create something different for the consumer, something the consumer feels that they can only get through the Grønne Gaarden soda. An obvious point of differentiation for Pebas is that they are making an organic soda, which not a lot of others have done before them. Therefore, we feel that they shall emphasize the ecological aspect, as they do on their other Grønne Gaarden products. However, as can be read in a later paragraph, we do not suggest for Pebas to preach to their consumers that this soda is an organic product. Without question, Pebas shall of course mention it, as it is of importance, but we feel that the Grønne Gaarden brand is already on the way of becoming a preferred ecological brand. This is documented by the fact that it sells well, even without much advertising. Pebas shall clearly emphasise that Grønne Gaarden is an organic brand, and try to leverage the value that this in itself has. Further we believe that the aspect of ecology is not one that should have a central role in the comic strip, as we aim to keep this light and humorous and not deal with matters that might not suggest humour and fun to some, such as ecology. Instead we suggest that the mater of ecology is dealt with on the product website, where there is more space for text on this matter.

**8.2.2 Brand Equity in Relation to The New Soda**

The question of whether Pebas will be able to build brand equity around the new soda will not be able to be determined until the product has been on the market for at substantial period of time, but we will, however, venture a guess on this mater, based on the interview with Charlotte Lerche. In relation to this, it is important to mention that there are other organic sodas on the retail market, but that Grønne Gaarden is the first Danish ecological manufacture to launch an organic soda in a half a litre plastic bottle (appendix 1, question 3). Brand equity it what a company is able to obtain through a product when they benchmark this at a higher price than similar products, because of the recognition that a brand has earned. As mentioned, this is hard to know for us, or even attempt to guess, as the soda has not yet been promoted in any way (appendix 1, question 1). However, given the fact that

Grønne Gaarden is doing rather well and has increased sales within the last few years, would suggest that this new soda could become a valuable brand for Pebas (appendix 1, question 1). By looking at the direction that organic products have moved in and the focus that has been upon these products (c.f. paragraph 6.2), a qualified guess would be that Denmark is ready for a new organic soda, and that consumers are willing to purchase this instead of the otherwise preferred soft drink, both carbonated and non-carbonated, that they buy in supermarkets or cafés. Therefore, Pebas are competing with not only the more established manufactures like, Coca Cola, but also with the smaller ecological manufactures like Søbogaard, who produces a well-known organic non-carbonated soft drink, that is often seen in cafés and restaurants. In order for Pebas to earn brand equity on its soda, it needs to be established as a preferred product among consumers, which we feel it has the potential to be, because of certain attributes connected to it. These attributes are, other than being an organic soda that Grønne Gaarden sodas contain less carbon dioxide than most other sodas do. It is, according to the website: *"Ren økologi kun tilsat forfriskende bobler."*[54] This is an attribute of the product that we believe Pebas shall strongly emphasize as it, according to Charlotte Lerche, is important to the female consumer (appendix 1, question 13)

To get back to the monetary aspect of brand equity, Pebas has decided to benchmark the soda at 14.95 D.kr. for half a litre in retail stores. This is compared to half a litre of, for example Coca Cola, which, according to the market research Charlotte Lerche refers to in the interview, is priced between 13.95 and 15.95 D.kr. (appendix 1, question 7). Concerning Pebas' competition in this regard, one must conclude that they have decided to price their Grønne Gaarden soda similar to other major brands. However, compared to no-name brands, they are priced somewhat higher. According to Charlotte Lerche, Pebas' aim is to make Grønne Gaarden soda accessible to everyone, as organic products are often priced somewhat higher than normal products. If this surplus price on organic products is because it is more expensive for an ecological manufacturer to produce and manufacture than it is for a non-ecological manufacture, or if it is because some ecological manufactures want to make their products more exclusive, we cannot determine. In Pebas' case, it has been important for them to price the soda to compete with existing brands such as Coca Cola and the likes

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[54] http://pebas.dk/Web/Dansk/Produkter/Gg/Soda

(appendix 1, question 7). Even though they do not charge a surplus price on their sodas compared to other established brands, Pebas will however still be able to experience brand equity on the product, if it becomes a success, because it is priced above no-name brands, and therefore still represents a brand. Pebas will be able to build brand equity on Grønne Gaarden soda if the consumer experiences and feels that the brand is believable and worth spending the extra money on, as well as feeling that the soda is a product that will be able to compete with other sodas on the market. These feelings must be built in the mind of the consumer, which can be done through the different values that Pebas is already connecting to Grønne Gaarden, but also through the values that we feel they shall connect to the product. More on this in paragraph 8.2.4.

### 8.2.3 1. level Consumers = 'Prosumers'

As mentioned in the chapter about viral marketing, 1. level consumers are those that the company chooses to target first; a consumer that Pebas know holds a preference and is loyal towards the brand. These 1. level consumers can be equated with the 'prosumers' that were mentioned in the theory chapter on branding. This is because 1. level consumers, in relation to viral marketing, take on an active role in the process of creating knowledge about the product, which is the same activity that a 'prosumer' goes through when he or she becomes involved with the product. This involvement will, in Pebas' case, be in sending the viral message on to other recipients. In order for Pebas to get their consumers to do so, they will have to play on the values that the brand, Grønne Gaarden, already has in the mind of many consumers. Furthermore, we suggest that Pebas start out by using those consumers that they know already buy Grønne Gaarden products, as the soda has not yet been marketed in any way. Consumers already buying these products are likely to have a positive mindset towards the brand. However, this can pose a possible challenge for Pebas, as Charlotte Lerche mentions that the target group for the concentrates and for the soda is not the same (appendix 1, question 8). Nonetheless, according to the issue of synergistic strategy (c.f. paragraph 5.3.1) it is necessary for a company to advertise according to their different target groups, which is to say, that Pebas need to have an overall strategy for their advertising, but to implement this strategy differently according to their different target groups. In other

words, different advertising for different target groups, with an overall theme going through them all. However, we feel that this can be circumvented as the target group for the concentrates can also have an interest in purchasing the soda, possibly out of curiosity, and because they, in some circumstances, have children who would like a soda once in a while instead of the concentrates. Moreover, we feel that Pebas will be able to build other values, specifically concerning the soda, into the comic strip and thereby possibly get more 'prosumers' as the target group for this may appreciate other values than those who the concentrates are targeted towards.

In the following paragraph, we will elaborate on the aspect of values connected to Grønne Gaarden and on the values that we feel Pebas shall try to convey in their advertisement in the form of a comic strip on YouTube.

**8.2.4 Values Connected to Pebas' Grønne Gaarden Soda**

The aspect of values connected to Grønne Gaarden soda has been a point mentioned throughout the preceding paragraphs, as this is of importance to the establishment and building of a brand. Therefore, the following will discuss and analyse upon the values that we suggest Pebas to emphasize in connection to advertising for their new soda.

Taking its point of departure in the theory chapter about values, we have learned that values lie in all people and that these values often have been learned through the society that we live in and through the way we have been raised. Further, the LOV (c.f. paragraph 5.2.2), will be commented upon in relation to what specific values we feel Pebas shall emphasize in the marketing of their Grønne Gaarden soda. The way we see these values being implemented will be elaborated on in a later paragraph, where we intend to give a more in-depth description about how we see the comic strip created (c.f. paragraph 8.3).

**8.2.4.1 Fun and Enjoyment in Life**

The value that we feel is the one to be emphasized the most in the comic strip is one of humour; what is called 'fun and enjoyment in life', on the LOV. Regarding the advertisement for Grønne Gaarden soda, we feel that using humour will help build values around the product that matches the image that Pebas intends to portray, which is that of not being to serious. This has also been done in the existing advertisement where humour plays a pivotal part. Even though the soda is an organic product which is often equated with being a more expensive product, Charlotte Lerche mentions that Pebas have been very adamant about not coming across as missionaries in regards to preaching an ecological lifestyle. They do not intend to preach to their consumers about what they should do, but merely try to make organic product accessible to the public and in some way de-mystify and take the seriousness out of ecologically manufactured products (appendix 1, question 7). We envision that this can be done by implementing humour in the comic strip. Making the viewer laugh while watching and reading is a powerful way of getting the message to stick, and furthermore, get them to pass the message on to their peers (c.f. paragraph 4.0). Moreover, humour will create integration between this new campaign and the preceding ones for Grønne Gaarden concentrates, where humour has also played a pivotal part, however, in a

rather different way. Even though Charlotte Lerche mentioned that Pebas intends to create this campaign very differently from how they have made campaigns so far, we feel that using humour as a central value aspect has become a way for Pebas to distinguish themselves from its competitors as they, as mentioned above, do not want to preach admonishingly to their consumers about the benefits of organic products. However, Pebas aim to try and make the consumer see benefits through other attributes, while still being honest and open about the fact that their products are organic and completely up to standard in that regard. Put differently, Pebas should, as they are currently doing, use humour in their marketing efforts as a means of getting their consumers to become aware and more loyal towards Grønne Gaarden products, while still emphasizing that these products are organic.

### 8.2.4.2 Sense of Belonging

Another value we feel shall be emphasised in the comic strip is a 'sense of belonging'. This sense of belonging is a value that plays on the emotions of the consumer wanting to be part of a collective group. As Charlotte Lerche mentions, Pebas want to market the new soda very specifically at the segment that is called women 20+. Therefore we feel that the comic strip shall take its point of departure in a situation that most women in that age group can identify with, and thereby create value and a sense of belonging to the consumer. If the scenario in the advertisement is set in a way that members of the target group feel they can relate to in one way or another, there is a higher likelihood that they will buy the soda because of the feeling that the advertisement has invoked in them. Moreover, there is also a higher chance that they will pass the message on, which is the general goal of a viral marketing campaign. Hopefully, when a consumer sees the soda in stores or at a café they will, consciously or sub-consciously, remember the advertisement which will aid them in making a conscious decision to buy this particular product instead of another similar one.

**8.2.4.3 Self-fulfilment & A Sense of Accomplishment**

The last value that we feel will be beneficial to address is that of 'self-fulfilment', which is where the consumer feels good about him or herself after a purchase or consumption decision. This can also refer to the value on the list called 'a sense of accomplishment', as they, in this case, refer to somewhat the same.

Regarding an organic soda, there is the element of knowing that you have done something beneficial for the environment in buying a product like this, but, more importantly, there is the aspect of knowing that you have done something good for yourself. Knowing that you have not filled yourself with a lot of artificial flavourings and other additives can help the consumer feel good about themselves in relation to the product.

In addition to this, we feel that the matter of ecology must now be addressed as this is an aspect of Grønne Gaarden that is of importance in connection to values concerning self fulfilment and a sense of accomplishment. Ecology is an important aspect of how Pebas is currently advertising Grønne Gaarden, as can be seen from how they currently advertise, advertising, which often portrays children. We believe that the values or feelings these advertisements are meant to invoke are those of this product being better to give to children than many of the other juices or concentrates on the market. Moreover, we feel that these advertisements are mainly aimed at the more adult part of the population, which is probably why, Pebas have chosen to play on feelings of self accomplishment, as adults probably feel this in knowing they have given their children a product, that has not been filled with colourings, additives or has been produced with the use of any form of pesticides.

These feelings about ecology should also be played at in connection to the soda, as ecology has become more important to many consumers within the last couple of years. However, we feel that this matter of ecology should not be too overpowering in the advertisement. We believe that if companies preach to consumers, it can have the opposite effect than was intended, and consumers might turn their back on the product. In our minds, many consumers easily become irritated with the matter of ecology, as consumers do not want to be told what to do. Often, we are told to exercise for at least 30 minutes a day, to eat healthily, to not drink to much and so forth. This can sometimes have the opposite effect, and although most consumers are aware that what they are told should be followed, they become

irritated when told in a demanding and better-knowing way. If Pebas, however, succeeds in making aware that this is an organic product, but does not preach to much about the why this is better than any non-organic soda, they will be able to build a stronger brand. More on the matter of how to achieve this in the comic strip in paragraph 8.3.

Summing up on the points above, we feel that it would be pointless to hide the fact that Grønne Gaarden soda is an organic product. It should definitely be mention as the focus on organic products has increased rapidly, but it does not need to be stressed as much as it has been in the advertising that already exists for the concentrates, as we believe there is a danger of turning consumers against the Grønne Gaarden brand. Moreover, values that put forward a sense of belonging, and relate to a feeling concerning the way a product is advertised, as well as emphasizing that this product is not harmful to you in any way, will be the best way to add values into Pebas advertising for their new Grønne Gaarden soda.

## 8.3 The Comic Strip

As mentioned in the paragraphs above, we envision the advertisement for the new Grønne Gaarden soda in the form of a comic strip. This is based on the considerations that this is both a cheap alternative to a 'real' movie with people, as well as that fact that a comic strip is something often connected with a sense of amusement, which is an effective way of getting a message across (c.f. paragraph 4.4). Also, the theory behind storytelling, the idea to place the advertisement within a story that moves the consumer, or one he or she can identify with, has influenced our choice of how to advertise for the new Grønne Gaarden soda. Further, an attempt to integrate the new advertisement with the existing promotional material made us think of a comic strip, because one of the full-page advertisements enclosed in appendix 2 is divided into frames, as the comic strip will also be.

The comic strip will be developed with the target group in mind; 20+ year old females. The basis for this thesis is that the advertisement is meant to be placed by Pebas on YouTube where the comic strip can be downloaded to Facebook with the click of a mouse, and thereby virally passed on to a large consumer base. It is important to emphasise that we do not intend to lure the consumer to Facebook, but rather to go to YouTube and thereby share the advertisement with Friends through Facebook. The responsibility of downloading the video onto Facebook lies with the 'prosumer'.

The following paragraph will deal with the more creative aspects of how we envision the comic strip created. We will however not comment upon the more graphic aspects of the comic strip, such as choice of colours and the likes, as we have no graphic or artistic background. We will instead, in the paragraph that follows the description of the comic strip, comment and argue how we see the different elements of the comic strip appealing to the target group. The validation for us choosing these elements will be based on the preceding paragraphs, where we have argued why we feel certain aspects shall be included in the comic strip. It is further worth mentioning that this paragraph will also be based on what the two of us feel the target group can relate to, and find witty, as we are both within the target group and have been for some years. Additionally, our take on an outline of the comic strip is illustrated in appendix 3. In relation to this, we emphasize that this is merely a suggestion to a rough sketch of the comic strip.

**8.3.1 Content of the Comic Strip**

To reduce coasts, the comic strip shall only be a line drawing consisting of five frames. The first frame takes place in a romantic restaurant, where a boy and a girl in their mid 20's are out on their first date. They are sitting at a small and intimate table, starting a candlelight dinner. The boy is drinking a glass of wine, while the girl is drinking a large glass of soda, not a Grønne Gaarden soda, but an ordinary soda. The second frame shows the girl getting bloated with puffy cheeks and watery eyes while the boy looks the same as before. She looks as though she is about to burp, and indirectly looks at the large glass of soda in front of her as though blaming this for her feeling uncomfortable. The third frame shows the couple still sitting at the table, but the girl is no longer able to contain the burp inside her and burps out loud while the boy looks surprised. The fourth frame simply says 'to be continued' because the idea is for the viewer to go onto the website, www.frugtdrik.dk, and give their suggestion to how the story continues, which involves the consumer in the process of branding the product. This involvement, we feel, can be in the form of a contest where Pebas awards the best story with a year's supply of soda. The fifth and final frame says, in fewer words, that this would not have happened if she had been drinking the new Grønne Gaarden soda because this contains less carbon dioxide than most other sodas.

The matter of the advertisement being in Danish is a choice we have made on the basis that Grønne Gaarden is only sold and marketed in Denmark. Pebas have deliberately chosen to do so, as they do not have the money to advertise and distribute the products abroad. Therefore, the text in the comic strip is in Danish. However, if Pebas ever decides to market Grønne Gaarden outside of Denmark, we see no problem in making an English-language advertisement for the soda, as most, if not all, young people in Denmark speak English to some extent, and therefore would have no problem in understanding the message of such an advertisement.

**8.3.2 The Use of Storytelling**

The theory behind storytelling tells us that the use of this is implemented to create a meaning behind a brand, that goes beyond the physical aspects of the product itself; to tell about the benefits of a brand in a way that the consumer can relate to, often through the use of images and informal language. In regards to storytelling in the comic strip, we feel that this tells a story that many girls can relate to, and furthermore does so in a humours way. The element of humour in the advertisement, we feel, helps to take the edge out of a situation, which can be an awkward one for many girls. It is our belief that many girls have tried being in a situation where they have not felt on top, or as attractive as they could have wished, when in the company of a boy that they are attracted to. By illustrating this in a humorous way, we believe that girls, within the target group, hopefully will realize that they are not the only ones who have ever felt like this. Thereby they will feel connected to other girls as they assume that others have experienced this, and further feel that the comic strip speaks directly to them. Thus, the target group feels a sense of belonging and feels connected to others, who have gone through the same. In addition, we hope the target group will feel a sense of connection to the product itself, because they will connect drinking Grønne Gaarden soda with a feeling that this might alleviate a similar situation in the future.

Another element that might help Pebas establish Grønne Gaarden with the consumer could be to create a catchy slogan. Throughout the time of advertisements, slogans have been used to make the consumer think of a product. Examples of these are: 'Gilette – the best a man can get', 'L'Oréal - because you're worth it', 'Mentos – the freshmaker' Kellogg's – vækker en tiger i dig'. The examples go on, but the central element is that all of these slogans have imprinted themselves in the mind of many consumers. If Pebas could do the same in relation to their Grønne Gaarden brand, this would help establish the brand further. We suggest something like 'Grønne Gaarden – det naturlige valg' or 'Grønne Gaarden – det grønne alternativ'. A slogan that builds on the matter of ecology, which is special to Grønne Gaarden products, and not to Pebas' other products.

We are not oblivious to the fact that this value of feeling connected to the brand, or developing a slogan, will not solely establish the Grønne Gaarden soda as a favoured brand in the mind of the consumer. Branding a product is a lengthy process where consumer habits

need to be changed in order for this brand to become successful. We further believe that the element of ecology will help build the brand, which will be dealt with in the following paragraph.

### 8.3.2.1 Educating the Consumer Without Preaching

As mentioned earlier, Pebas do not want to preach about the benefits of ecology to their consumers. Therefore, we do not see the ecological aspect being portrayed in the comic strip other than this being mentioned in the last frame. We argue this by the fact that we do not feel the need to educate the younger generation on the benefits of ecology as it has been proven, that they have a pronounced knowledge about ecology, as they have grown up in a time, where ecology has been in the media more than it was a decade ago (c.f. paragraph 6.2). Therefore, the feeling that this product it better for you will stand in the background as an underlying feeling in the consumer's head, that he or she is doing something good for themselves and for the environment when drinking Grønne Gaarden soda or any other Grønne Gaarden product for that matter. However, there should be something about ecology on the website that the viewer of the comic strip is invited to in the fifth frame, as there, on a website, is room for more text, which the consumer is free to choose to read, if he or she desires to do so. We are not stating that if Pebas decides to spend more money on advertising the soda, or if they get the money from the EU, the aspect of ecology should not be mentioned in more detail. We are merely stating that we want to emphasise the element of humour through the comic strip, and that there, in this, is not the space for elaborating on ecology. Further, we want to keep the wording in the comic strip to a minimal as there on Facebook is the likelihood that other nationalities than Danish will see the advertisement, and we want to make sure that the advertisement is as understood outside of Denmark as possible. This is because, if a person outside of Denmark receives the advertisement, he or she can store the message in the mind and remember it if coming to Denmark. Concerning this, it is important to mention that Facebook is a global social networking site, and that we are aware that Grønne Gaarden is a Danish product and only sold in Denmark. However, we still feel that these social networking sites can be useful in advertising, as the message will be

passed on to so many consumers that it is not detrimental to the outcome of the advertisement if a few of the receivers cannot act on the message immediately.

As we have mentioned above, Pebas should not preach about ecology. However, we still feel that Pebas can educate their consumers about ecology as well as the benefits connected to this. The way we see this done best is, if Pebas on Grønne Gaarden's website have a section about ecology, where they in a descriptive and colourful way tell the consumer about ecology, thereby integrating a humorous aspect in this, as we advise them to do in all of their promotional material. If Pebas do this, the consumer can choose to read about ecology and not feel that ecology is being imputed on them. The way Pebas do it now, the consumer is guided away from the website to get information on ecology.

## 9.0 Conclusion

The focus of this thesis has been to examine how an analytical framework for advertising via branding through viral marketing on Facebook can be developed for the new Grønne Gaarden soda. In this lies the question of how an advertisement for a product can be structured to become a successful viral marketing campaign, but also how the product becomes a favoured product, a brand, in the mind of the consumer.

Through studying Pebas' company profile and interviewing their Marketing Manager, Charlotte Lerche, it soon became evident to us that Pebas is a company in rapid growth. Our main focus throughout the writing process has been Pebas' ecological brand, Grønne Gaarden, more specifically their newly introduced organic soda. Even though Pebas have not done any consumer- or market analysis, Charlotte Lerche is of the opinion that there is a hole in the market regarding a product like an organic soda, and believes that there is a need for this. In support of Charlotte Lerche's 'gut feeling', Danmarks Statistik, has documented that there has been a rapid growth in sales of organic products in Denmark within the last few years. Connected with the introduction of this new soda and the fact that the target group for this is women 20+, the idea of advertising through the social networking site, Facebook came to life. Further supported by the fact that Pebas do not have a large budget for creating an elaborate campaign for Grønne Gaarden soda, we felt that a viral marketing campaign was an ideal match.

A viral marketing message will almost always be doubled, if not more, each time it is sent forward and does not need to cost the company a lot of money. However, a down fall of viral marketing that needs to be considered is that, after the messages leaves the company, they have no control over how the message is perceived by the audience, nor do they have any control over who views the message. A company using a viral marketing strategy will often choose what is called 1. level consumers, who we in this thesis equate with 'prosumers', which are consumers who take on an active part in branding a product.

When using viral marketing as an advertising strategy, Pebas have to trust in the chosen 1. level consumers and believe that these will pass on the message and that this personal

recommendation will be trusted by the recipients. To some, viral marketing can seem to be an easy way of advertising, but different from other advertising methods, where the power lies in the hands of the marketer, viral marketing gives the power to the consumer.

Important when creating a viral marketing message is to make it as appealing as possible to the target group, which in this case is women 20+, with whom Grønne Gaarden soda hopefully becomes the chosen product in the face of competition.

In the process of building the new Grønne Gaarden organic soda as a brand, we suggest that Pebas keep the target group in mind. We believe that the Grønne Garden soda can become a favoured brand in the mind of the consumer if Pebas are able to build values into the brand, as well as leverage the existing values of the brand Grønne Gaarden. If able to achieve this, we believe the soda becomes a mix between a corporate and a product brand as the brand Grønne Gaarden should be emphasized in connection to the soda, as it also is in connection to the Grønne Gaarden concentrates and the 'ready-to-drink'. Emphasizing Grønne Gaarden in connection to the products leverages the position that the brand has in the mind of many consumers onto the soda, which thereby has an increased chance of becoming successful. Thus, we believe the new soda can become a favoured brand and that Pebas, in the long run, will be able to earn brand equity on this brand, as it is priced above other sodas while still being offered at a rather fair price compared to other organic products, which are often priced above non-organic products. It is further important in the building of a brand to incorporate some values into the brand that consumers feel they can relate to and connect with as opposed to that of the competitor's. These values will often be portrayed in the advertising that is developed for a product, which we suggest to be in the form of a comic strip for the Grønne Gaarden soda.

The comic strip is created to meet the requirements of our theoretical standpoint and the demands Pebas have for the advertisement, keeping in mind that Pebas do not have a large budget for creating this campaign. The aim is to create a comic strip that reflects the values we believe Grønne Gaarden shall play upon, 'fun and enjoyment in life', 'sense of belonging', 'self-fulfilment' and 'a sense of accomplishment'. Not all of the values can be implemented

directly in the comic strip, but only be fulfilled when purchasing the product, such as the matter of ecology. This is an aspect of the soda that is important, but at the same time needs to be told in a manner that does not make the consumer feel overwhelmed with information, as it might turn consumers against a brand if feeling they are being told what to think and do. Moreover, we believe that a comic strip often is connected with humour, which is a great way to make consumers remember the advertisement and thereby also the product. In this case, humour is a way to make an embarrassing situation funny and thereby something consumers can talk about, and maybe even relate to. Using humour further integrates the advertisement with the existing promotional material that has been used for advertising the concentrates. This integration ensures the company, Pebas, as well as the brand, Grønne Gaarden to be portrayed in a uniform way in the eyes of the consumer.

We suggest that Pebas upload the comic strip to YouTube and get the before mentioned 1. level consumers to go onto YouTube to watch it and thereby pass the message on to Friends through Facebook. Moreover, we would like for Pebas to use the other Grønne Gaarden products as a medium for advertising the new soda, as it is also an inexpensive way of advertising. Placing stickers on Grønne Gaarden product bottles makes the consumer aware that a new product has been added to the Grønne Gaarden family and invites them to go to YouTube and watch the comic strip. At the end of the comic strip, users are invited to go to www.frugtdrik.dk where they can enter a contest possibly winning Grønne Gaarden products. Using the suggested viral marketing campaign, we believe that Pebas can promote their new product, Grønne Gaarden soda, in an inexpensive and easy way through Facebook.

## 10.0 Afterthoughts

After having written this thesis, we will in these afterthoughts reflect on some points that have not been included, but that we, never the less, want to make aware that we have thought about. The main reasons why these matters have not been dealt with, is either because of the time restraint of four months as well as the fact, that there are some aspects that we do not have the educational background to consider. Further, there are matters that we, as well as no one else, have the foresight to tell. One of these is the aspect of the lifespan of these social networking sites, such as Facebook.

There is no possible way for us to determine if, an in that case when, these social networking sites will be on the decline. We cannot say whether the appeal of Facebook will fade over time, and if users will start closing their profiles, or if the site will live on for years to come. Some might argue that there is no immediate risk of this happening in Denmark, as there, at the beginning of writing this thesis was just under 395.000 active Danish members on Facebook, whereas this number has now increases to almost 490.000 Danish users according to Facebook[55]; this within a timeframe of under four months. On the other hand, there is no way for us to know how often users visit their profile or how active they are in forwarding messages or even checking messages received from others. However, we never intended for the proposed viral marketing campaign for Grønne Gaarden soda to have as long lasting a perspective as other advertisements may have, but merely intended for it to be an interesting way of communicating with the consumer; an interesting way to create knowledge about a new product where the target group seemed to fit the age group of users on Facebook. If Facebook was to have hardly any Danish users in a couple of years, Pebas will still have been exposed for some time, which is better than not at all. Furthermore, it is a rather cheap way of advertising, which also makes it less of a blow to Pebas, if the advertisement was to only be shown for a limited time. Further we want to mention that using social networking sites for advertising is merely an addition to a company's marketing mix. We do not recommend that companies take away advertisement from existing media, but that they merely add social networking sites to their advertising efforts. Another element that we are aware of is, that it may be a good idea to support a viral marketing campaign with advertisements in

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[55] http://www.facebook.com/networks/67109233/Denmark/

magazines, so as to try and reach the target group through a different medium, which can support the viral campaign. The reason why we have not chosen to mention this in the analysis of our thesis is that the research question, as we have written it, did not allow for any considerations on how to support this viral marketing campaign. Moreover, the aspect of money is raised again as Pebas still do not know how much money they will have for advertising this new soda. This is a matter that remains to be seen, and one that we will follow in the future.

In connection to this we are aware of the lack of a monetary aspect in this thesis. However, we believe, and have read, that a viral marketing campaign is not as expensive as advertising through other media might be, and we have further tried to make the suggested advertisement as cheap as possible in developing it in the form of a comic strip as opposed to a movie with people. Never the less, we are conscious of the fact that it would have been beneficial if we had had the educational background to take this matter more into consideration.

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