

User Segmentation of ‘Foursquare’, The Location-based Social Media

Amalia E. Maulana¹, Natalia Sonata²

¹BINUS University, Indonesia

²BINUS University, Indonesia

Abstract

Selection of the right audience and media in branding is critical. Knowledge of branding related to social media is still limited. This research identified user types of Foursquare, a relatively new social media. It also provides input on which type of users should be the focus of the brand owner. Foursquare is a social media that emerged after the success of other social media such as Facebook and Twitter. The substantial difference that Foursquare emphasizes is the use of location spot as its publication indicator. Foursquare users publish their presence in certain location and express their experience. This research explored user segmentation of Foursquare by looking at their behaviour and distinguishing their motivation in selecting the media. The Internet provides many spaces for consumers to interact, share view that called electronic word of mouth (eWOM). Study results identified six segments of Foursquare users and was labelled The Angels, The Need Help, The Gamers, The Mayor, The Existence, and The Show-off. It was found that different motivations are used as basis to encourage people in using Foursquare. These motivations include concern for other users, self-enhancement, advice seeking, economic incentives, social benefits and feature involvement. Only two stand out to be potential for eWOM.

Key words: Social Media, Segmentation, Branding

1. Introduction

Social media as a category of online expression is being much talked about nowadays. Through social media, people are able to create contents and share them, including creating networks to a very large level (Asur and Huberman, 2010).

Exact figures showing the complete amount of existing social media are difficult to find due to the fact that they are numerous in amount and new ones are built constantly. Some of them succeeded to be the giants of social media such as Friendster, MySpace, Facebook, Twitter, and also new generation social media such as Foursquare.

Friendster is one of the social media that appeared in 2002. In this media, the users can communicate with other members and share videos, photos, messages, and comments with other users through their profiles. In 2003, MySpace came along as a competitor for Friendster, with a more comprehensive list of contents, starting from its profile interface,

group, blog, to the upload menu for music and videos. However popularity of MySpace has been shifted to Facebook since 2008. Facebook which merged to the surface in 2004 succeeded to go global due to its simpler interface compared to the others, making it easier to be understood, but still provides enough menus and intriguing applications. In 2006, Twitter was established. Twitter is a social media and micro-blogging services with a more expanded communication network. Status updates on Twitter can be announced instantaneously to all Twitter users without having to be friends. Twitter status updates may even be linked to other social media such as Facebook.

Amongst a diverse amount of social media used by Indonesian, Facebook leads in the first place, then followed by Twitter, Kaskus and Foursquare respectively (Kustiani, Muhtarom and Asih, 2012). What is interesting is the quick movement of Foursquare to the top of the ladder. As a new social network born in 2007, Foursquare has been nimble to enter the success slot of preceding social networks within its class. It was proven that in 2010 the

growth of Foursquare users number have achieved a 3.400% increase compared to the previous year and succeeded to gain 10 million users in year 2011(Foursquare, 2011).

It is not a surprise that FourSquare is being sought after in such a short amount of time. As a new social media, Foursquare brings something different that is based on the location of the check-in as a trademark. Foursquare users can notify one another of their locations and to provide or obtain comments on the site. Not only that, Foursquare also has other features that made it interesting, such as: Find Friends, Check In, Add Thing, Shout, Badge, Leaderboard, Change Location, and Add A New Venue. Foursquare brings great potential with the ability to connect people based on the experience of the promotion especially to marketers. Knowing where someone is and what the conversation all about are great opportunities for promotion.

Social media has become important for business. This is observed from various conversations that happened in it. Various things could be a topic of conversation on various occasions, including discussion about a product or a service that is based on the opinions or views of consumers with each consumer giving either a positive or a negative impression. Such word of mouth conversation is called as word-of-mouth (WOM) (Swarbooke and Horner, 2007). WOM also plays a dominant role for someone to make decisions.

Today, the Internet provides various spaces for consumers to interact, to share views, and other possibilities making it possible for WOM to have a large base via the Internet or aptly called electronic word of mouth or eWOM (Trusov, Bucklin, and Pauwels, 2010).

As an Internet application, Foursquare is also one of the information sites that provides brand knowledge to consumers. This means that eWOM takes place in Foursquare. EWOM occur when a user informs their existence through Foursquare by checking in or adding a venue. Other users, who view the location and

comments from friends, would get a recommendation about the place. Moreover, the foursquare eWOM cruising area is also fairly broad, with a partnership amongst Foursquare, Facebook and Twitter, check-in activities by the users will automatically be seen from these applications.

There are still very few studies that address the user segmentation of Foursquare. Whereas in brand marketing, the process of selecting a segment is a critical step that must be carried out properly. High marketing costs could be saved if the company have a clear understanding of social media segmentation.

This study mapped the type of user segmentation in Foursquare, with the viewpoint of various relevant variables as the distinction amongst groups, including the motivations of the various eWOM behavior in them. This study clearly illustrates the character of each segment and a marketer may have a deeper understanding when using Foursquare as one of their brand communication channel.

2. Literature Review

Research on Foursquare users and their motivation stems from the studies of Word-of-Mouth (WOM). WOM has attracted much managerial attention because it has been touted as an alternative to traditional marketing communications tool (Trusov, Bucklin, and Pauwels, 2010). Judging from the behaviour of consumers, WOM is recognized as the most powerful marketing tool, more influential than personal selling, advertisement on printed media, and radio commercials (Steffes and Burgee, 2009; Christine, Ashish and Derek, 2000; Sweeney, Soutar and Mazzarol, 2008). Some even hailed it as the most effective marketing strategy in the world, but still the least understood (Trusov, Bucklin, and Pauwels, 2010).

Consumer motivations in delivering WOM to others are widely varied, depending on their level of knowledge about a particular product category (Sohn and Leckenby, 2005).

Some leaders attempt to suggest the motivations of WOM such as: Dichter who gathered a mix of 4 positive motivations of WOM in 1966 (Product-involvement, Self-involvement, Other-involvement, Message-involvement). In 1993, Engel, Blackwell and Miniard made modifications to the typology of Dichter in which they tried to bring up the negative sides of the Word-of-Mouth, not only just the positive as described by Dichter (Involvement, Self-enhancement, Concern for others, Message Intrigue, Dissonance Reduction).

Subsequently, in 1998, Sundaram, Mitra, and Webster developed the theory of motivation of the two groups above, where the first four identifications refer to the positive motives of word-of-mouth (altruism, product-involvement, self-enhancement, Helping Company). The latter four identifications refer to the negative motives of word-of mouth (Altruism, Anxiety reduction, Vengeance, Seeking Advice).

Communication means of WOM are divided into personal and impersonal. Friends, families, and acquaintances are personal recommendation sources, while news column, articles, comments from journalists, consumers, and experts are impersonal recommendation sources (Goyette, et al., 2010). Communication amongst WOM recipients and their sources may occur either traditionally (*off line*), or on line. WOM that uses online media or delivered via internet is usually called as eWOM (*electronic word of mouth*).

Just like WOM consumers, eWOM consumers also have various motivations in doing eWOM communications. Hennig-Thurau, et al. (2004) has created the concept of such eWOM consumers' motivations into eight types of motivations, such as: Platform Assistance, Venting Negative Feelings, Concern for Other Consumers, Extraversion/positive Self-enhancement, Social Benefits, Economic Incentives, Helping The company, and Advice Seeking.

The high numbers of web users day by day contribute to the eWOM communication

rate (Cheung and Thadani, 2010). Such phenomenon invited online retailers in spreading information to influence the decision making of online consumers (Cheung, Lee, and Rabjohn, 2008).

Perceived from its potential growth, literature on Foursquare has been widely created. Popular writing topics that can easily be found usually focused on progress of Foursquare or about how far promotion via Foursquare can influence big companies. For example, the monthly increasing numbers of how many people who check in at companies like Pepsi, Starbucks, MTV, and various other companies (Corcoran, 2010). Or by disclosing the amount of check-in activities such as in 'Mcdonalds' that has 20.336 venues, 290.847 check-in, 168.617 unique visitors and 9240 majors, and Indonesia places the second highest rank of people who check-in at the McDonalds (Gibbs, 2010).

Different from popular literature, the information source regarding Foursquare that is synthesized into a scientific article is still rare to be found. This fact confirms that researches on Foursquare are still limited in numbers. Among them is the study of dynamics of the check in of Foursquare users that is used to search for a deeper understanding of human mobility. One of the study results indicates that during business days, three ultimate human activities take place in the morning, during lunch time, and from 18:00-20:00 when people are back at home or gone to the mall (Noulas, et al., 2011).

From the above explanation, it can be seen that most Foursquare researches are focused on effects, progress or growth, and outcomes in form of numbers for companies as factual proofs of Foursquare promotions. Researches that analyse the other side of Foursquare activities, such as observation on consumers behaviour and similar activities towards Foursquare are still very limited. In order to enrich the scientific area that entails Foursquare researches, this research focuses on covering from consumers segmentation angle and any eWOM activities in it.

This research purposes on sorting out types of consumers who use Foursquare in relation to eWOM. From the academic's point of view, this research completes any other observations about eWOM in social media. While on business side, the benefits of doing this research are to help increase the quality of marketing and assist the managerial levels in determining the right business strategies in order to maximize eWOM power, particularly eWOM via Foursquare.

3. Methodology

This research uses a qualitative method by combining netnography and contextual in-depth interview. Netnography is a contemporary research methodology that adopts ethnography in studying cultures and communities through the internet (Kozinets, 2002; Maulana and Eckhardt, 2007). Exploration carried out in this study through netnography was conducted by browsing hundreds of posts by consumers who are Foursquare users, and by extracting the similarities and differences among groups that are relevant.

In order to achieve triangulation of data required in a qualitative method, the findings and analysis of netnography are being re-explored through contextual in-depth interview technique. The number of respondents who were interviewed through interview was 30 people with the following criteria:

- Active users of Foursquare who are domiciled in Jakarta.
- Foursquare users have checked-in at a venue or a certain place.
- Foursquare users have at least high school education.

To validate the exploratory findings through netnography, a contextual in-depth interview on Foursquare users are conducted. In order to get valid data results, the researcher followed up respondents to do the interview in a place they most commonly do check-ins and posts

such as restaurants, malls, cafes and any other entertainment venues.

4. Research Outcomes

4.1 Classification based on age and level of passion

Foursquare user types when classified by age and level of passion are divided into four groups, namely Passionate Senior, Passionate Junior, Dispassionate Senior and Dispassionate Junior.

The term "Senior" refers to users who are already experienced so that they understand the details and intricacies. Conversely, the ones who bear the word "Junior" are the type of Foursquare users who are less experienced and know less about Foursquare.

"Passionate" refers to the type of users who already benefit from the features and advantages offered by Foursquare. While "Dispassionate" type refers to users who do not take much advantage from Foursquare.

To look at them in further details, segmentations of the six Foursquare users behaviours towards knowledge and utilization of Foursquare, they can be outlined as follow:

- **Passionate Senior**, active Foursquare users who already know about the features and advantages of the Foursquare and have already used them. Segments that fall into this group are the Angels. Because in addition to use Foursquare to check in and see tips, The Angels type also provides tips and suggestions for other Foursquare users based on personal opinion.
- **Passionate Junior**. This group consists of active users who have the desire to utilize Foursquare, but still do not really know about the features and advantages of Foursquare. The segment that fall into this group is The Need Help. This type is merely about information updates for themselves and not about giving tips or feedback to other users.

- **Dispassionate Senior**, this group consists of active Foursquare experienced users, but do not really take advantage of features offered by Foursquare. The segments who are included in this group are The Gamers and The Mayor, this is due to the tendency of the types who use Foursquare only for having fun.
- **Dispassionate Junior**, this group consists of active Foursquare users who do not really know about the superiority and do not really utilize the features offered by Foursquare. Segments that fall into this group are The Existence and The Show-off, because they only use Foursquare in order for their existence or whereabouts to be known by others.

The following is a matrix of Foursquare users types based on their own segmentation:

4.2 Segmentation type based on behaviour

Exploration of hundreds of Foursquare user posts and contextual in-depth interview produced findings on six different types of Foursquare users based on their behaviour. The following outlined six Foursquare user segmentation:

- **The Existence.** They are Foursquare users who likes to exist, they like to always inform other users about their activities, tight schedules and even on feelings they experienced.

“I use Foursquare to check-in at anytime and anywhere, even when I’m in Indomaret in front of my campus I still check-in. So that peeps will know about what I’m doing and my whereabouts, who knows someone will want to go come around and join. Hahaha..”

- **The Gamers.** They are Foursquare users who use it just to have fun by collecting

badges when they succeed to accomplish a mission.

“I use Foursquare because the games they offer are just like the reality, we do the check-in at a certain place for three times and we will get a badge and now that I’m going after other kinds of badges. So, I’ll check-in according to the mission being assigned.”

- **The Mayor.** They are Foursquare users who are enthusiastic on becoming the mayor of a certain place. Mayor is a nickname entitled to a user who has the most often check-in record at the place.

“I check-in on Foursquare so that I can become the Mayor of a certain place, it’s quite a good thing to have my name emblazoned on that place and that it can be viewed by anybody else who also check-in there. If there’s anybody who snatches my Mayor title, I will do the check-in again as often as possible, so that I can be the Mayor again..hahaha..”

- **The Show-off.** They use Foursquare to inform other users about elite or extraordinary places that they visit.

“I use Foursquare so that people will know where I’m currently in, it’s getting more exciting if the place is overseas. I can show off a lil bit.”

- **The Need Help.** They are people who use Foursquare to get tips on a certain place.

“I use Foursquare when I’m visiting a new place, and I’m still not sure whether or not the place that I’m going is nice.. So, I open up Foursquare and there I can find tips from people who have been there before. I can then know about which menu is the favourite, also when i go to the mall I can look for stores that are on sale, of malls

that hold a midnight sale. Very useful to me.”

- **The Angels.** They are users who always leave tips regarding the places that they check-in. They want to help the information seekers about the places that they have checked in.

“Every time I check-in, I always give some tips about the place, they can be useful inputs for people who are going to check-in at the place.”

4.3 Segmentation based on Motivation

Six segments of Foursquare users that have been described previously have different motivations when posting or checking in at a place. The exploration outcome shows that there are six motivations when using Foursquare:

- **Concern for other users,** they who use Foursquare because they want to share tips and information with other users.
- **Advice Seeking,** they use Foursquare because they want to seek for advices, tips or information about a place in order to prevent disappointment.
- **Economic incentives,** they who use Foursquare because they are encouraged to do so by certain economical factors, for example, to find places that give discounts or places on sale, etc.
- **Feature Involvement,** they who use Foursquare because they want to use the features offered by Foursquare, collecting badges for example.
- **Self-enhancement,** they who use Foursquare because they are encouraged by the eagerness to increase their social status.
- **Social Existence,** they who use Foursquare due to their eagerness towards self-

existence so that other users can identify their whereabouts.

It is possible for each individual who is using Foursquare to bear more than one motivation out of the motivations mentioned above. However, if we look at it in further details, there's a tendency towards the segments to have one motivation only.

The results showed that the number of positive motivation value for Foursquare users is still lower than negative motivation value. Positive motivation value is the motivation that can help the eWOM of a brand whereas negative motivation value is the motivation that has little contribution in eWOM.

5. Discussion

A variety of variables have been discussed earlier to better understand the following discussion. The findings are further examined to see the direct relationship amongst several variables.

Firstly, The Gamers, who are Foursquare users who have the motivation tendency towards *Feature Involvement*. This is resulted from the fact that they use Foursquare just for having fun for their own interests, they almost never play a role in eWOM communication.

Secondly, The Existence segment, who are Foursquare users who the dominant motivation tendency towards *Social Existence*. They are users who always check-in anywhere and anytime. However, in spreading eWOM communication they cannot be said to have a big contribution to it, due to too much check-in activities in regular places.

The third one is The Need Help segment, they are Foursquare users who have two dominant types of motivations, namely *Advice Seeking* and *Economic Incentive*. Using the Foursquare because they want to seek financial benefits such as discount points and midnight sale or to prevent losses. In terms of eWOM communication, they do not produce eWOM, but they place a position of the users who

enjoy eWOM the most when compared to other users.

The fourth and fifth segments are The Mayor and The Show-off. Both types of users, although their usage is different, but still equally have a background of Self Enhancement motivation to use Foursquare to improve their social status. These two segments are indirect eWOM spreaders because it is done unintentionally when they perform the check-in at a particular place.

Finally, The Angels segment they are Foursquare users who have the motivation type of Concern for Other Users. It can be seen from how often the segment leaves comments with an intention to help others who seek for information about a location. Therefore, this segment becomes a very generous spreader of eWOM.

6. Conclusion

In Branding, selecting the right audience and media is critical. Knowledge about Foursquare segmentation provides a better view of audience characteristics.

Users segmentations found in this research are distinguished into several monikers to depict their behaviours, namely The Gamers, The Existence, The Need Help, The Mayor, The Show-off and The Angels. This research analyzes the behaviour of the users to obtain six types of motivations that become their current tendencies when using Foursquare, namely: Feature Involvement, Self Enhancement, Social Benefit, Concern for Other user, Advice Seeking and Economic incentives. Motivation in this case is the one that is closely related to the spread of eWOM communication.

Users who have the greatest stake in doing eWOM is a segment of The Angels. This segment has the motivation 'Concern for Other Users' - who helps other users in providing the information somewhere. While the segment of The Show-off, The Existence and The Mayor also possess a stake in doing eWOM but rather due to their negligence as motivated to Social

Existence and Self-enhancement. The contribution of these two segments is not too great upon eWOM.

The two other segments, The Gamers and The Need Help segments, arguably do not participate in spreading the eWOM communication. This is mainly due to their motivation to use Foursquare does not contribute to the spread of the eWOM, namely Feature Involvement, Seeking Advice and Economic incentives.

We found Foursquare users segmentations and their motivations as summarized in conclusion. It is expected to make it easier for managers and decision makers in formulating their marketing strategies. In addition, the user segmentation and motivations in this research may help the managerial find an appropriate business strategy in order to optimize the usage of Foursquare.

As an implication to the academic field, the presence of this paper will fulfil research regarding segmentation and eWOM in social media. Furthermore, this research expands scientific topics on Foursquare so that it will be useful as a reference or a comparison for further researches. Foursquare as research topic is still open wide for opportunities, such as to see how similar and how different the needs of each segment and whether Foursquare successfully delivered those needs.

Reference

Asur, S. and B.A. Huberman, (2010), "Predicting the future with social media," Retrieved 01/03/12 World Wide Web, <http://www.hpl.hp.com/research/scl/papers/socialmedia/socialmedia.pdf>

Cheung, C.M.K., M.K.O. Lee and N. Rabjohn, (2008), "The impact of electronic word-of-mouth: The adoption of online opinions in online customer communities," *Internet Research*, vol. 8 (3), pp. 229-247.

- Cheung, C. and D.R. Thadani, (2010), "The Effectiveness of electronic word of mouth communication: A literature analysis," in *Papers presented at 23rd Bled eConference*, Retrieved 10/02/12 World Wide Web, [https://domino.fov.uni-mb.si/proceedings.nsf/0/7d01f166eebae8e3c1257757003c5e98/\\$FILE/24_Cheung.pdf](https://domino.fov.uni-mb.si/proceedings.nsf/0/7d01f166eebae8e3c1257757003c5e98/$FILE/24_Cheung.pdf)
- Christine, T.E., K.B. Ashish and L. Derek, (2000), "Managing word of mouth communication: empirical evidence from India," *International Journal of Bank Marketing*, vol. 18, no. 2, pp. 75–83.
- Corcoran, C., (2010, June 30), "Brands Use Foursquare", *Women's Wear Daily*, vol. 199, p. 8.
- Dichter, E., (1966). *How Word-of-Mouth Advertising Works*. Harvard Business Review, 44 (November–December), pp. 147–166.
- Engel, J.F., R.D. Blackwell and P.W. Miniard, (1993). *Consumer Behavior* (8th ed.). Fort Worth: Dryden Press.
- Foursquare, (2011), "10.000.000 Strong," Retrieved 10/02/12 World Wide Web, <https://foursquare.com/infographics/10million>
- Gibbs, M., (2010, July 20), "Foursquare Perspectives and the future of marketing," *Network World*, Retrieved 09/03/12 World Wide Web, <http://www.networkworld.com/newsletters/2010/071910web1.html>
- Goyette, I., L. Richard, J. Bergeron and F. Merticotte, (2010), "E-WOM scale: Word-of-mouth measurement scale for e-service context", *Canadian Journal of Administrative Sciences*, vol. 27, no. 1, pp. 5–23.
- Hennig-Thurau, T., K.P. Gwinner, G. Walsh and D.D. Gremler, (2004), "Electronic word-of-mouth via consumer-opinion platforms: What motivates consumers to articulate themselves on the Internet?," *Journal of Interactive Marketing*, vol. 18, no.1, pp. 38-52.
- Kozinets, R.V., (2002). "The field behind the screen: using netnography for marketing research in online communities", *Journal of Marketing Research*, vol. 39, no. 1, pp. 61-72.
- Kustiani, R., I. Muhtarom and R. Asih, (2012, January 01), "Pada 2012, Media Sosial Masih Menggeliat," *Tempo Tekno*, Retrieved 09/02/12 World Wide Web", <http://www.tempo.co/read/news/2012/01/01/172374706/Pada-2012-Media-Sosial-Masih-Menggeliat>
- Maulana, A.E. and G.M. Eckhardt, (2007), "Just Friends, good acquaintances or soul mates? An exploration of web site connectedness," *Qualitative Market Research*, vol. 10, no. 3, pp. 227-242.
- Noulas, A., S. Scellato, C. Mascolo and M. Pontil, (2011), "An Empirical Study of Geographic User Activity Patterns in Foursquare," Retrieved 30/01/11 World Wide Web, <http://www.cl.cam.ac.uk/~an346/papers/icwsm11poster.pdf>
- Sohn, D. and J.D. Leckenby, (2005), "Product class knowledge as a moderator of consumer's electronic word-of-mouth behavior," *Center for Interactive Advertising*, working paper.
- Steffes, E.M. and L.E. Burgee, (2009), "Social ties and online word of mouth," *Internet Research*, vol. 19, no. 1, pp. 42.
- Sundaram, D.S., K. Mitra and C. Webster, (1998), "Word of-Mouth Communications: A Motivational Analysis," *Advances in Consumer Research*, vol. 25, pp. 527–531.
- Swarbooke, J. and S. Horner, (2007), *Consumer behaviour in tourism 2E*, Elsevier Ltd. Oxford.

Sweeney, J.C., G.N. Soutar and T. Mazzarol, (2008), "Factor influencing word of mouth effectiveness: receiver perspective," *European Journal of Marketing*, vol. 42, no. 3/4, pp. 344-364.

Trusov, M., R.E. Bucklin and K. Pauwels, (2010), "Do you want to be my "friend"? monetary value of word-of-mouth marketing in online communities," *GfK Marketing Intelligence Review*, vol 2, no.1, pp. 26-33.