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EXAMINING THE ROLES OF SOCIAL MEDIA ON STARTUPS OF OULU

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Abstract

This thesis is focused on explaining social media, how and why the startups in Oulu use social media for. This thesis has practical and first hand data and information about how the firms are utilizing social media, why they are using social media and what they think about social media. The thesis is conducted through a literature review on the topic which is supported by an empirical case study. The motivation of doing this thesis on social media influence in the startups of Oulu came from the lack of previous researches on this topic.

The first part of the thesis is consist of theoretical aspects of social media, different types of social media, social media and traditional media, mobile social media. In the later part of theory covers the opportunities, challenges and implication of social media. There is discussion on the benefits that social media offers, what the challenges companies might face using social media and how social media activities can be planned and implemented.

Multi case study was conducted on four startup firms from Oulu. One person form each company was interviewed and the theme of the interview was why the firms are using social media and their motivation behind it, which channels they are using and why, how much resources they are using behind social media, the impact they are having, the challenges they are facing and what they think about the future of social media.

Most of the research conducted on social media is mainly focused on the big organization, the author wanted to know how much social media means to the smaller firms in a specific region in this case Oulu. With the combination of the theory and the case study there should be an understanding the relationship between social media and startups. The main findings of this study is that the startups of Oulu uses social media for the purpose of increasing brand awareness and for a strong market presence.

Additional information

FOREWORD

This thesis is the last academic work of the author at the University of Oulu. It has been a very difficult time for the author while working on this thesis and now he is pleased that he has completed it. The topic author choose was something that seemed interesting to him and he is happy to work on it. Interviewing people from the top management of a firm was something new and exciting and they were kind and helpful toward him.

First of all, author would like to thank his supervisor Waqar Nadeem for guiding him and giving him the confidence when he needed it. He would like to thank his friends Somaya Hasan Eshan, Md. Zahurul Islam and Srabonty Mazumder for being there when he was stressed. He would like to thank all the case companies for helping him out, it was a pleasure working with them.

Md.Zahidul Islam

13 May 2019. Oulu

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1   INTRODUCTION

1.1. Background of the study:

Internet and social media are recognized for having a significant influence on both the operation and the success of a business firm (Bennett, 2012). One of the major reasons for this is that online platform and communication system does provide the prospect of replacing physical proximity with virtual interaction and even intimacy as evidenced by the popularity of websites such as Facebook and LinkedIn (Barnes, 2012: 688). Social media influence the entrepreneur's success because they give access to various sources. Different social media such as Facebook, LinkedIn, twitter, etc. Not only help to promote business but also helps to find out the business resources of the business enterprise. Now-a-day academic researcher, business practitioners, government and policy maker have a great interest in entrepreneurship business. New entrepreneurship and start-up have a significant impact on the economic growth and development of the country. In the recent studies conducted by (Jin, 2017) found out that start-up firms who are active on social media do have a higher chance of getting funds, getting large amount of funds and a larger number of investor meanwhile increasing the chances of more opportunities and becoming a successful start-up (Jones el at., 2015).

The empirical study of Martinez & Aldrich (2011), reported that social network influence in entrepreneurial consequences is as like as existence and profitability. Moreover, Chattopadhyay (2008) in his research work revealed the pattern of social networking in the relation with entrepreneurial success as well as he concluded in his research like this way social networking is the powerful determinant of entrepreneurial success. Social media as a form of social network considered as a useful tool for entrepreneurship to grow up. Social media such as Facebook or LinkedIn helps entrepreneurs to identify the changes and opportunities in business creation through interactions and communication with the peers on the network and also helps to identify problems and have to idea of the overall market. Normally social media helps to reach the target customers and create a new business idea for starting a business. As well as, Social media supports small enterprises for marketing their product and different kind of business operation that finally make small

business firms profitable (Park el at., 2017). Social media plays an important role to build up a strong business relationship with a different business partner such as supplier, distributors, customers and related business firms. Abou-Moghli (2012) concluded his research work like, building relationship are fundamental factors in determining the success of the business. And success in business has the tendency to link up with other locality, sometimes interregional or globally it is essential that an enterprise can get from social media.

From small start-up companies to large multinational, strong social network plays a key role. Silicon-Valley is a notable example of a social network and start-up. In Silicon Valley, the social network has special importance such as the network of access and opportunities, the network of power and influence and network of production and innovation (Castilla et at., 2000). The northern Finnish city of Oulu is on the top of the world when it comes to being a dynamic powerhouse of tech entrepreneurial activity. With a significant advancement of technology and innovation such as 5G Oulu is one of the most promising lands for the start-ups. In this study, the author would like to know how much the social media such as Facebook, LinkedIn, and Twitter, etc. have an impact on these very promising start-ups of Oulu and what is the key role they play.

Overall as a student of marketing, the researcher has a keen interest on how the traditional marketing is changing and what role social media is playing recently. So social media is an interesting topic and it influenced the author to develop the thesis work on this field.

1.2. The objective of the study:

In this new business era, start-up is a most featured topic. From the previous research, there has been stated that social network is a key issue that influences the start of a new business or entrepreneurship. From many studies reveal the agreement that social networks are the vital reason behind and it gives information and access to many resources, business opportunities, and market.

This thesis work is inspired from this ground of researches. In this thesis work, the author will try to find out the considerable influence of social media for the start-ups in Oulu. The social network provides entrepreneurs with a wide range of valuable resources and helps them to achieve their goals. In general, the most important resources that networks can provide are information, access to finance, access to skill and knowledge, social legitimacy, reputation, and credibility. (Martinez & Adrich, 2011) So, the main objective is to find the key contribution of social media that plays a significant role in the start-ups of Oulu. As well as, the author will analyse which social media the start-ups in Oulu find most important and how significant the firms think social media is for their company. The author also would like to know the future of social media for business development form the firm's point of view, how they think in concern to social media. What kind of challenges they face while using social media. Above that, the author will try to analyse as a tool of the social network how social media such as Facebook, Instagram, Twitter, and LinkedIn help successful entrepreneurs of Oulu (Park el at., 2017).

1.3. Research questions and method

Social media is a very modern concept and its importance for business and for the development of business is rising. The researcher would like to identify and understand how it is impacting the startups and how significant social media is for the entrepreneurs in Oulu. The author would like to ask and answer some questions, the main question for the research would be "what is the main purpose of using social media for the startups?" There will be some sub-questions such as 1) which channels are utilized and how much impact social media has on the firms? 2) How much time and resources firms invest and how they plan their activity on social media? 3) What are the challenges of using social media and the future of social media as a business tool?

For this research, the author chose the qualitative case study as the research method. The purpose of this thesis is to gather detailed data on social media for the purpose of analysis. It seemed more appropriate method to gather first-hand qualitative data in the form of the interview as while interviewing author would have the opportunity to ask questions in person and have a better understanding of the inside information.

1.4. Structure of the thesis

The first part of this thesis (chapter 2) describes some theoretical definition and understanding of the social media, the different types of social media and their different ways of creating values, social media, and traditional media in the context of the modern environment, mobile social media, and its business potential. The next chapter (chapter 3) there will be a discussion on the potential opportunity social media has to offer and what kind of challenges the firms might face. There would also be a discussion on how the firms can plan for their social media and engage their customers. Next chapter (chapter 4) covers the methods used for this thesis, why the author choose this method, the process of the collection of data and the implication of the study. Chapter 5 consist data analysis after that in chapter 6 there will be the findings and discussions on the thesis and lastly, in chapter 7 the conclusion, some limitation researcher faced while conducting the research will be presented.

2   SOCIAL MEDIA AND SOCIAL MEDIA MARKETING

In this chapter, there will be a brief discussion on social media and social media marketing. There will be discussion on some basic definitions, types of social media, the concept of web 2.0 and what is it, explanation of how social media marketing differs from traditional marketing. Afterward, there will be some explanation on mobile social network and its history, how mobile social network is relevant in this study and what are the prospects and opportunities of the mobile social network.

2.1. Definitions

2.1.1. Web 2.0

Web 2.0 refers to the platforms or websites which are user-generated content, easy to use, participated by end users. At the beginning web, 2.0 was describing a process where the software developers and the users both began to use WWW or World Wide Web. This is a platform where applications and contents are no more created and authorized by some individual instead the contents and applications are continuously improved and modified by every users both developer and end users participatory or collaboratively. Interfaces such as "WordPress", "Opera", "Myspace" and along with a lot others allows this kind of modifications. Web 2.0 or user-generated the content described to be the sum of all ways people make use of social media (Kaplan & Haenlein, 2010)

The term Web 2.0 was first invented by Darcy DiNucci in 1999 and later it was more introduced by Tim O'Reilly and Dale Dougherty at O'Reilly Media web 2.0 conference in late 2004. According to Dutch net critic Greet Lovink "Web 2.0 was the reincarnation of the World Wide Web in the wake of the dot-com boom and bust". According to him the landscape of Web 2.0 is: Blogs, wikis and "social networks" such as Friendster, Myspace, Orkut, Flickr etc. were presented as the next wave of voluntary alliances that user seek online. Virtual communities had become a discredited term "associated with discredited ideas about cyberspace as an independent policy, and failed dot com ideas about assembling community in the

shadow of the mass-market brand such as forums on Coca-cola site." Instead, there were talks of swarms, mobs, and crowds. Media has turned social (Han, 2011).

Web 2.0 is an interface of exchange where everyone can be a publisher. Nowadays internet has become the place where for the sharing of information, story, innovation, ideas, truth, news and also untruth that is why it becomes very important because of the power it possesses on the users. This freedom of expression has an impact on all people and can take the form of individual writing or coalition of communities also the creation of pressure group. The influence of this freedom is huge as with the internet there is no boundaries, time or day, geographical borders do not matter anymore which makes it very easy to exploit any situation. For example, Greenpeace used Facebook against its founder Mark Zuckerberg to use renewable energy for its new data center (Boistel, 2013)

Some may say the internet is used to satisfy various purpose such as information sharing, a mechanism of sale, a medium of customer support, a channel of distribution (Miller, 2000; Boistel, 2013). Confirms that while word to mouth is one of the oldest means of communication, it is a very relevant and practical marketing tool. Internet influence continues to grow both increase in sales, increase in marketing campaign budget, usage of media. To get a grip of this vast force of the internet and also to get competitive advantage companies has created websites to state their presence in web 2.0 and build a good online image (Butler, 1998)

2.1.2. Social Media

In today's modern and digital world whoever has the excess of internet is likely to know or is involved using social media. Social media is a relatively new phenomenon which has grown popularity rapidly over the last decade. Social media are computer oriented platforms that provides creation and sharing of ideas, information, different forms of expression and interests through virtual communities and networks.

"Social media are online applications, platforms, and media which aims to facilitate interactions, collaborations and the sharing of contents. (Richter & Koch, 2007)*"*

Social media takes a variety of forms, including weblogs, social blogs, microblogging, wikis, postcards, pictures, videos, rating and social bookmarking (Angella, 2012). For the last 10-15 years social media has expanded so much that now not only individual personals use them but also big organizations even the governments use them to interact with customers and peoples respectively.

2.1.3. Social Media Marketing

In general social media marketing refers to when social media platforms and websites are used to promote a product or service. Social media marketing is gaining popularity every day by both the consumers and the producers. Because of the nature of the built-in analytic tools, which allows organizations to analyze and keep track of the progress, engagement, and success of any campaign online. The highlights of social media objectives include stimulating sales, increasing brand awareness, generating traffic on the online platform, improving brand image, increasing interaction with customers, finding target customer group, reducing marketing cost, creating user interactivity on platforms by stimulating users to post or share content. Along with this proactive objectives, companies can also take more reactive actions such as monitoring competitors' activities and analyze their status on social media and what the consumers are responding to them (Schweidel & Moe, 2014). Some firms may try to reduce the risk of improper social media use by their employees by setting rules on how social media should be used in work-related context. (Rokka el at., 2014). Specific social media marketing objectives and challenges may depend on the objective or the size of the organization. (Felix el at., 2016).

2.2. Types of Social Media

There are different types of social media and based on their nature of utilization and contents they can be placed into different categories. Different researchers have stated different types of social media, the results may seem similar but not necessarily the same. Generally, when we hear the word social media the name come to our mind is Facebook, because of its nature of contents and over 2 billion users worldwide Facebook is the most popular social media platform indeed (Fatehkia el at., 2018). However social media site like Facebook only represents one of the various types of social media platform. In this section, I would like to describe types of social media based on the book "Social Media Marketing Book" by Dan Zarrella (2010). According to Zarrella (2010), there are seven kinds of social media, Blogging, Microblogging, Social Networking, Media sharing, Social news and bookmarks, Forums and Virtual Worlds. Each of this social networking site has its own nature of contents, a specific group of users and technical differences. There will be a brief description of these seven kinds of social media in this chapter.
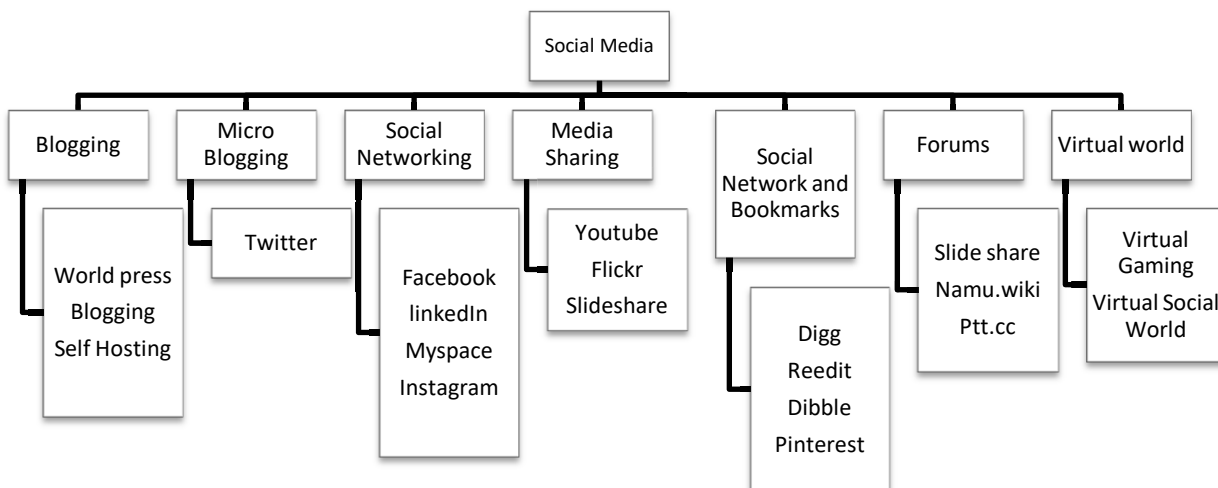
Figure 1. Types of social media (Zarrella, 2010)

2.2.1. Blogging

The term blog is a form of weblog. In 1990s blog started its journey as the form of online journals or dairy. The popularity of blogging increased earlier this century and kept increasing as a huge number of blogs are written and published every day on almost every topic all around the world (Leggate, 2012). According to (Zarrella, 2010) "Blog is a type of content management system which makes it easy for everyone to post short articles called posts. Various social interacting features are provided by blog software such as including comments, trackbacks, and subscriptions that make it perfect for marketing purposes. The blog makes great hubs for other social media marketing efforts as they can be integrated with every other tool and platform." (Zarrella, 2010). Blogs are an excellent medium to promote a company and its activities. When a company do something new or have some news to share blogging becomes a great channel to reach the news to the audience. A blog should be interactive in nature, easy to understand and non-controversial. A modern-day organization should always have an active blogging system.

Blogs are made of posts, starting from 100 or 200 words a blog can be several pages in length but ideally a blog should be within one single page (Zarrella, 2010). Most blogs do have a comment section below where the readers can give their opinion and feedback. This is actually a great way to communicate with people and know what they feel and think. There can both positive and negative types of comments and it is important to accept the negative comments, give a response and try to explain. Overlooking the negativity is never a good sign.

According to (Li el at., 2011), blogging is a great tool for the word to mouth marketing, organizations can use blogging as their platform to promote products or services. Recent researches show that blogging actually plays a vital role in the success of word to mouth marketing. There are some blogging sites with a large number of followers, companies can actually run their promotional activities through blogs. This promotional activity may not be as direct as a media advertisement or marketing campaign but is as effective as any. Using blogs as a marketing tool also lays a way to research and understand the market as there can be direct communication and instant feedback from potential customers. One major advantage

blogs have over other medium is it can express a lot of detail about a certain product. A television commercial or advertisement in social media is typically 30 seconds to 2 minutes in length, so much cannot be expressed there but blogs can be as brief as it can get, there is a new development companies can provide detail information or if there is some complicated products such as medicine which cannot be explained in one line their blogs come very useful. Stockholders typically rely on information they get from the market and based on that information they decide whether to buy or sell, blogs can be a vital instrument providing positive information and helping the stock price go high.

WordPress probably is the most popular blogging platform there is. The nature of the software itself is the reason for its acceptance, it is free to use, is open source and has a very strong community of both followers and developers. WordPress is easy to use and also the design is great as well. "Bloggers" is another social blogging medium which is easy to use but has some limitations of available features which might be found in other platforms. This site is basically helpful for the new bloggers who are creating their first site. "HubSpot" is a paid blogging site in which companies can buy their domains and post their blogs within that domain, HubSpot is a very good tool for the companies to analyze the market (Zarrella, 2010)

2.2.2. Microblogging

Microblogging is a form of blogging which is different from usual blogging by the limitation of its size, for example in Twitter updates the maximum amount of characters there can be is 280 words which was updated the last year 2018 form 140 words. For exchange of small elements of contents or links or news. Twitter is an excellent way of communication. It is easy to use, free to use and has a very wide range of users which is the reason why it became so much popular. There are some Microblogging sites like Twitter, Pinterest, and Scoop, etc. I would mainly focus on Twitter in this section.

Microblogging is one of the most if not the most effective way of the word to mouth communication. According to (Hennig et al., 2015) "of the various social media tools used by companies, microblogging word-of-mouth (MWOM) is a specialized and customized form of electronic word-of-mouth within the context of Twitter, proving it as the most impactful and effective microblogging platform." In Twitter individual personals express their opinion and point of view that may influence other peoples opinion which makes Twitter an excellent microblogging word of mouth (MWOM) instrument. Microblogging is brief, consisting of short and frequent, informal social media communication which is directed in the context of Twitter about an object or topic (Hennig et al., 2015). Microblogging is used by users of social media, it may be an individual, a company or an entire organization. Because of the nature of the Microblogging, it quickly and easily can interact with the audience which makes it a great platform to promote a business or ideas or products (Aroean, 2018).

It is a good idea for a company account to follow the account those who are following the company which is more like friendly attitude and may provide the followers a feeling of warmth and builds positive brand image in their mind. But this may not be the case always it may be effective for a small organization but for example, a big organization like "Nokia" is likely to have a huge number of followers and "Nokia" cannot just start following everyone back. According to (Zarrella, 2010) "Twitters who have more followers than people they are following tend to have a larger audience". Companies should always keep updated about the microblogging, be informed about what people is talking and discussing about the firm and what kind of image the brand is holding among those users, they may hire third-party firms to do analysis for them as well.

2.2.3. Social Networking

Social networking sites are online platforms which allow individuals or a group of people to create own public profile and connect with other users on that platform. These social networking sites usually have their way of connecting people with other people. The invitation can be sent to other users like friends, workmates and provide

them with the access of own personal profile and gain access to theirs. A social networking site usually has the facility of instant massaging through people can text to each other. Some of the major social networking sites are Facebook, LinkedIn, Myspace, Instagram, etc. (Kaplan, 2010).

Social networks have a very wide range, because of their huge resources a lot of business firms utilizes them promote their products or services to their existing or potential customers. In today's business environment often a firm's success depends on how their social network image is built and how they present themselves. It might be the most effective way of advertisement and a very important tool to stay in the business through their presence in social network platforms (Rowley, 2014).

Social media has become a huge force in the marketing world, creating the brand image, brand awareness, increasing market share, and equity which is continuously attracting ever-increasing interest from business firms of all size small or big. Social media sites are now the highest trafficked websites worldwide and one-third of the total amount of time spend online is spent on social media!! There are more than 2.3 billion Facebook users with having over 60 million active business pages (Facebook, 2018). In those 60 million 2.5 million business firms pay Facebook for promoting their business. More than three-quarter of the established brands pay Facebook to promote the post, that is how huge the number is and how much influential Facebook can get in term of promotion, advertisement and business growth that is applicable both for big organizations as well as the startups. (Kawaf, 2019).

Other major social networking sites would be LinkedIn, Myspace, and Instagram, etc. LinkedIn basically is a professional social networking platform, it becomes very useful while corporate networking, lot of employers posts their job and job seekers post their CV's, so it becomes a great platform to build a professional bridge. Myspace is another social networking platform, which shared some similarities with Facebook, like Facebook there is individual profiles, videos, friends, groups' communities and massaging. Apart from those can be also used for blogging and music. Although the extensive usage of Facebook has forced Myspace to go in decline (Tuten, 2008).

2.2.4. Media Sharing

Media sharing is also a form of social media, usually, this kind of platforms consist of videos, audios, images or graphical presentation. YouTube is the best example of Media sharing. YouTube is a site which allows users to upload, share, like or dislike, add comments to videos. Usual YouTube contents are video clips, TV show clips, music videos, short and documentary films, tutorials, live TV, etc. Founded in 2005 in America and after two-year Google acquired YouTube for 1.65 billion USD. YouTube is different according to the interface and content type wise from some other social media platforms like Facebook, Twitter. According (Arthurs, 2018) YouTube is expanding with a rapid pace and continues to grow and as a matter of fact, is not the second most visited website in the world. One of the reasons YouTube is so successful because of the unique nature of its platform, anyone from any corner of the world can post anything they want to share. Some other platforms also had similar kind of platform but YouTube enjoyed the benefit of fast comer and their continuous improvement of the platform. Now Facebook also has introduced a video posting option, even then YouTube is still the market leader by far. In one estimation Matthias Bärtl, a professor at the Offenburg University of Applied Science in Germany, stated that in 2016 alone the total number of videos the interface hosted was more than 4 billion. But there are some downfalls as well as Bärtl found out 3% of the top viewed videos is watched by 85% of the viewers and more than 50% of the videos uploaded in 2016 had views of 89 or less. So the graph is not equally distributed but YouTube has proven to be an excellent marketing tool, as easy as it is to post videos on YouTube it is also easy to reach the audiences for the companies. Moreover, the intelligent interface can track and identify the interest and likings of a specific customer which provides the organization even more opportunity to capture their targeted customer section (Arthurs, 2018). According to "Statistic", a statistical portal in the USA presented an estimation of YouTube's net advertising revenue was projected to be 3.96 billion US dollars in the USA only. That statistics is alone sufficient to prove how much companies provide YouTube as a marketing channel.

Flickr is another media sharing platform where mainly the professional and amateur photographers post their photos and give and receive feedback on their work. SlideShare is a website which hosts professional contents like presentation,

infographics, videos, and docs. The contents can both be private and public according to the intention of the uploader. It was established in 2006 and later was acquired by LinkedIn with an estimation of around 120 million US dollars.

2.2.5. Social Networks and bookmarking

Social Bookmarking is online platforms where users can put their bookmarks, web page links, web documents, etc. According to (Redden, 2010) internet, users use social bookmarking to identify and label web pages or web sites to use later and now has become a popular medium for both personals and companies to share their resources online. The definition of social networking in Wikipedia is "Social Bookmarking is a way for the users of the internet to managing bookmarks, searching, organizing, storing from web pages with the help of metadata, where metadata is the data about the data." Social bookmarking does not have any resources to themselves rather than they just refer to other sites where the actual resource is. When someone lists his website in a social bookmarking site it enables the opportunity to gain more web traffic, can drive the positive audience to the site which is very important. Also search engines such as Google, Bing generally shows results according to the bookmarking sites if a site is enlisted and bookmarked than the chances become high to show the site in the search result (Redden, 2010).

Digg, Reddit, Pinterest, Dribble are some social bookmarking sites and social media sites like Facebook and Twitter also acts as social bookmarking sites. Social bookmarking help creates a websites brand image as well as brand awareness. The best feature or benefit of social bookmarking is maybe that it aids the bookmarked webpages in Search Engine Optimization (SEO) strategy. It is also a very effective way to communicate with the potential and targeted customers segment if you have something unique in your website and you want people interested to know about it than to reach those people or in some cases, customers Social Bookmarking pages are an excellent platform.

2.2.6. Forums

Internet forums are an online platform where people discuss, have a conversation and post questions answers about various topics depending on the type of Forum Platform. It is different form usual chat rooms as in forums the topics are briefer and well described. Forums have become one of the best possible ways to gather information about almost every topic around the world. In a study conducted by Barbara Bickart and Robert M. Schindler, both of them associate professor of Marketing at Rutgers University in New Jersey, where consumers were given instruction to gather online knowledge about five specific products by accessing either by online discussion or form market generated information such as company webpages. After the 12 week experiment period consumer who gathered knowledge form, discussion suggested they had a greater interest in those product topics than the consumers who gathered information form company webpages. They suggested that customer oriented online discussion might have more relativity, acceptance, and credibility than market-generated information. In customer oriented discussion people believe that they are talking to a real person and user who has the experience compare to a corporate page what they believe will only talk about positive stuff about their products. Thus customer oriented discuss in a specific topic is more likely to generate more interest than market-oriented information and predicted to have more influence and persuasive power (Bickart, 2001).

Some of the top forum sites are SlideShare, namu.wiki, ptt.cc, eyny.com etc. Forums are a great way of understanding something. For example, if I have a question such as "what bitcoin is?" and search in google, I may get some structured answers but if I ask it in the forum then I would have answer form two or three types of angles form persons who have experience in bitcoin.

2.2.7. Virtual World

The virtual world is basically a computer created a simulated environment. Where people may create their own identity, own avatar, they may also become completely

a different person than himself. There might be two kinds of the virtual world, one is the virtual gaming world and another is the virtual social world. The virtual game usually refers to the games played online and most multiplayer games. A massive amount of player can be gathered in a single platform which create a certain base of the community. Online games such as "Clash of Clans" where you can literally form a clan or become a member of the clan which itself creates a specific social group. The latest online massive games which generated massive buzz in PUBG. While sharing strategy or ideas in these games the player becomes part of a community. This kind of communities may be a good opportunity for some business as a certain type of people are gathered in a specific platform.

The virtual social world is where an individual can choose whom he wants to be they may decide their behavior and set up more freely than a virtual game. The level of customization is high here. In a virtual social world, a person can lead a life as like as he lives his own life. Second Life is may be the most famous virtual social world platform over a million active users. In Second Life people can make something virtually, for example, a shoe and sell it to another virtual person for virtual money, It was created by Linden Lab who has their own virtual currency called Linden dollar which can be converted to the actual dollar. This virtual social world is still a growing concept but is growing its popularity which can have a huge marketing potential in virtual advertisement, virtual products selling. And it becomes more relevant by the rise of blockchain money or cryptocurrency which is also virtual money (Kaplan, 2010).

2.3. Social Media Marketing and Traditional Marketing

In traditional marketing environment, a company uses the general guidelines of integrated marketing communication or marketing mix. The purpose of the marketing is to reach to the customers, create a relationship and satisfy the customers. Marketing mix or the 7ps has played a huge role in the outline of traditional marketing. 7ps are the product, process, place, price, promotion, physical evidence, and people. The objective is to create a customer-oriented market

environment and capture more market share, depending on which "P" a company give more importance to the nature of marketing strategy changes. In traditional marketing companies generally rely on various promotional activities such as sales promotions, promotional activities, advertising campaign and other forms of persuasion in order to capture competitive advantages and to reach a superior financial position (Kumar, 2017). Some major traditional marketing promotional channels are a print advertisement and newspaper advertisement, television advertisement, direct mail or direct marketing, telephone or SMS. According to Scott (2010), traditional marketing may prove to be a linear line where the producers send and the consumers receive whether is a message or product it is a one-way road. In this kind of situation, the companies have the authority to send any message to the market they want. But as in this era of social media where there is a very little space of secrecy communication can longer be totally controlled by the companies in a traditional way.

Price

Place

Promotion

7'ps Marketing Mix

Process

Physical edivence

Product

People

On the other hand, the social media platforms are very much interactive, where firms can share information online about their products or services and get the feedback almost immediately. In social media, customers can communicate and share media with their community of people. What differs social media from traditional marketing is consumers can now actually talk to the firms and discuss and feedback their opinion. If there is a product, service or even advertisement that they do not as

they can instantly talk about it and say what they have to say. So marketing is no longer a linear line now but it has become more customer oriented. In some cases marketing of some products are advertised by customers themselves, customer to customer marketing may prove to be the best possible way of marketing in future, as word of mouth has proven to be hugely effective social media has given it a new height. With the advancement of social media, the customers have been given the power of making decisions where the customers can actually decide what they want. Even if an organization has a strong traditional media presence and activity this might not be very effective as a lot of users now search product online before making the buying decisions, ask questions in forums about the feedbacks and now the social media customer care is getting even more important. According to a survey conducted on marketers, the most benefit of social media marketing is creating brand awareness and generating more traffic (Colwyn, 2014). So, establish a new brand or sustaining in the market for the already established brand's social media marketing has become absolute. Most of the potential customers utilize their own free time on the internet in social media so not marketing in social media makes no sense, right? (Kumar, 2017)

So without any doubt, we are living in an era where the term marketing does not have a full meaning without social media in it. And there is no sign showing that the use of social media will decline in the near future as the world is entering into a very virtual environment. So is Social media marketing making the traditional marketing obsolete? That might not just be true, According to (Todor, 2016) in the last five years the use of social media increased rapidly and the use of other media has decreased. People usually spend a lot of time in some sort of media every day and surprisingly enough that television is still the most dominant media there is while the internet is in the second place (Dania, 2016). Though the number of the internet user is increasing at rapid pace we just cannot say that television advertising does not work anymore, not just yet. As just because we can read online does not mean there is no value for hard copies of the book anymore. Also other traditional channels of advertisement such as newspaper advertisement, radio advertisements still has their significance (Todor, 2016).

The research suggested that the combined effect of both the traditional and social media marketing has a greater effect than any singular one of them (Naik & Raman, 2003). In one investigation by Kumar et al. (2016) also confirms about the positive impact of the synergistic effect of traditional and social media marketing on social media marketing. Both social and traditional marketing have time-varying effectiveness on the sales of the brand. The synergistic effect also vary with time, a brands comments, contents, ideas on social media can be inconsistent with the traditional marketing. The main message in both social media marketing and traditional marketing should have consistency which may strengthen their position (Kumar, 2017).

2.4. Mobile Social Network

2.4.1. Mobile Marketing

Mobile marketing is a very important component in a firms overall marketing strategy and the importance is increasing every day. We can understand how important mobile as a medium is if we see how much time people these days utilize on the mobile phone. It is in the long past when mobile used to be only a medium of talking or texting, mobile has now become a part of life even a part of our body may be, mobile is now a medium of entertainment, a search engine or a medium of marketing. For most of the users' mobile as a device has surpassed laptop and desktop as the initial way to access the internet (O'Kane, 2013). According to (Ducan el at., 2014) 44% of total personal computing time is consumed by mobile phone and tablets. More than 50% of the search in google and other search engines are conducted by mobile phones. In 2012 alone mobile phones were responsible for 159 billion USD. A research conducted by Forrester in 2015 suggested that 58% of the retailers surveyed did place mobile marketing as their number one priority. The rapid growth of mobile marketing has impacted traditional marketing and the consumers' behavior as well making it one of the most prominent media of marketing in today's time (Berman, 2016).

Instead of the increasing importance both form the consumer and company point of view there is still room for improvement as in various cases there is evidence of poor

planning and implementation. Sometimes the traditional way of thinking as a marketing manager leads to a total misunderstanding of the market situation for mobile marketing. According to (Mobile marketing survey 2013, 2015) from 745 leading business companies only 56% use mobile as a marketing tool the rest could not decide how to approach or implement. So there is still a lot of room to improve and understand in mobile marketing for the organizations (Berman, 2016).

2.4.2. Mobile Social Marketing Business Potential

From our discussion so far it is clear that social media brings the outstanding number of opportunities for business of almost any kind. Social media is now considered as the most powerful medium for widespread marketing campaign (Kaplan, 2010). Along with this huge force of social media, the addition of mobile social media has made this such a powerful source of marketing like never before. And organizations are also realizing the importance of utilizing this medium. Social media platforms such as Facebook, Twitter, and Instagram has transformed into mobile applications and according to (Gamboa & Gonçalves, 2014) 79% of the Fortune 100 companies uses social media with 54% of them having a Facebook fan page (Yadav & Rahman, 2015). In this section, I am going to discuss some very potential business aspects of mobile social media.

- **Market Research:** Social media mobile application contains a lot of important data both about the customer's choice and habit. These data can be used by the organizations to identify their potential customers, the preferences of the customers, the feedback they are giving and discussions they are having by the comments on social media. Mobile apps have made it very easy for the firms to receive the data about the gender, age, the frequency of a customer visiting in a particular website, how much time utilized by a customer in that page, what type of people visit the page more often and find out who might be the potential customer. When these type of data is available to a firm they can utilize it to manage their customers with higher efficiency. Not only for the big organizations like Amazon or Ali express but also for startups social media can prove to be very important.

- **Marketing Communication:** There might be two types of communication through mobile social media Form Company to the customer. One of them is B2C communication and another one is UGC (user-generated communication) (Yadav & Rahman, 2015) B2C is more like a traditional marketing approach but through social media. As now most of the brands have understood strong marketing capabilities of social media, they are using it to increase the brand image and awareness, more customer engagement, gaining more market share and building a healthy customer relationship. According to "Q2 2017 Sprout Social Index" customer engagement in social media can peruse them to purchase. Their observation suggested that around 48% of the customers have the more probability of buying if their question is answered by the company online, 46% of them appreciate the promotion while 42% have a chance to convert if provided with enough educational context. An example given by (Yadav & Rahman, 2015) in 2010 an album titled Messy Little Drops by Cheryl Ann Cole was promoted by Facebook Places. There were 114 poster locations in Cole's hometown and in London, so the thing was when someone passes one poster they were asked to check-in the billboard and that was directed to Cole's Facebook page and offered two free tickets in her show. And the campaign has gone viral overnight. The other type of mobile social media communication is UGC or user-generated communication, UGC is branded content which was not posted or shared in social media by the company or organization. It is highly valued by the companies as it helps to create trust, it is relatable, and the credibility is high and helps to build brand awareness. Another example by (Yadav & Rahman, 2015) on UGC is in 2010 McDonald's ran a promotional campaign where they gave away 5 to 10 dollar gift voucher to the first 100 customers who would check-in McDonald's, the campaign was a big success 33% of the check-in increased and only for 1000 bucks.

- **Discount and sales promotions:** Discount and sales promotion has long been a part of marketing strategy and mobile social media has given a new dimension to it. A lot of mobile social media applications allow the customized promotional activity for specific customer and sometime for a specific time. For example when Virgin America was launched in California Cancun they started a social media promotional campaign which was the

customers checking in through Loopt form one out of the three Broder Grill Taco trucks in Los Angeles and San Francisco from 11 am to pm, in 31 August 2010 they had the 2 tacos in 1 dollar and also 50% discount on the flights to Mexico. More than 1300 people checked in within 4 hours and 80% of them purchased Mexico flights from Virgin America.

- **Customers Relationship and loyalty program:** For companies, it is a challenge to gain customers and more challenging is keeping them. Creating a loyal customer group is a fundamental requirement of a company's success. There is an opportunity for the mobile social media to help companies to create loyal customer group and build a healthy customer relationship as well. For example Tasti D-Lite is a famous frozen sweet company, they encourage their customers to link their twitter account to the D-Lite membership card, those who link their account is provided with additional bonus points on every purchase they made and it is also updated in their account as well, this an excellent idea to keep their customers and also built strong brand awareness.

Summary

In this chapter of the thesis, the author has explained some basic definition and concept about social media, types of social media, social media marketing, and mobile social media marketing through literature. Different types of social media were defined and explained, social media marketing in context to traditional marketing was also discussed. Mobile social media marketing with its business potential in the context of marketing and current business environment was also focused. In the next chapter of this thesis, there would be a discussion on the opportunities and challenges of social media marketing.

3 OPPORTUNITIES, CHALLENGES AND IMPLEMENTATION OF SOCIAL MEDIA

In the previous chapter, the social media and social media marketing were described, in this chapter author is going to discuss why social media is so important for modern day business, how companies can utilize social media platform to their benefits and the role of social media in business development for the business and startups. On the other hand, there are some downfalls of depending too much on social media that will be discussed as the challenges of social media. In the later part of the chapter, there will also be some discussion on how a company might plan using social media as a marketing tool and build a strong social media marketing channel.

3.1. Opportunities

3.1.1. The Huge field of Social Media

In the near future, this era where we are living in right now will be defined as the era of the rise of social media. With the increase in the accessibility to the internet increased the number of social media which as was discussed in the previous chapter comes in many forms blogs, microblogs, photo sharing, content sharing, virtual gaming, etc. The rapid and continuous upgrade and expansion of information and communication (ICTs) has been one of the most significant social phenomena in this century. According to (Fatehkia, 2018) there are approximately 7 billion mobile subscribers all over the world which was 738 million in 2000. The number of internet users has increased from 400 million in 2000 to 3.2 billion to people who are using the internet currently. And among those user 2 billion are from developing countries (ICT, 2017). So it is not only that the developed countries are using the internet but it has spread all over the world.

The largest social media according to both total and active users is Facebook. Facebook is the first social networking site to reach one billion monthly active users and holding over 2.3 billion overall users worldwide (Facebook, 2018). Twitter

which is a microblogging site, this high-speed social networking site has reached around 328 million monthly active users worldwide (Oltulu, 2018). Instagram which is a mobile-based photo sharing media has reached one billion monthly users as of June 2018 which was around 800 million in September 2017. YouTube a video sharing platform has almost 1.5 billion users worldwide which are expected to be 1.86 billion by 2021 (Social Media Statistics & Facts, 2018). Social media is also influencing the nature of employers, workers, job seekers, and recruiters and their process of doing things. LinkedIn with 400 million user over 200 countries is another very fast growing social media site which might change the way we do professional networking (Bridgstock, 2019). Other social media sites are also playing their role in becoming a major part of this networking system which consists of huge opportunities.

3.1.2. Benefits of Social Media Marketing

There are some significant benefits of using social media as a marketing tool. Compare to traditional media it is more advanced and more practical in the recent business environment. If a firm can utilize their social media marketing channel properly and to their benefits it may become the one very reason for the success of that company. In this section, I will discuss some basic benefits of using social media as a marketing channel.

- **Cost Effective**: Compared to other traditional media social media is more cost effective, in traditional media there is extensive need for foundation before even starting to promote something, there are a huge manpower investment, infrastructure investment and lot other variable costs as well, wherein social media there is only a very limited amount of resources required. Some firms may even hire some experts and outsource their advertisement. It is most effective for the small firms, for example, you are starting your brand of clothes and don't have enough resources to advertise your brand on Television or print it and then distribute it. By hiring one or

two social media expert you can promote your brand in all the social media. (Todor, 2016)

- **Customer Service**: Social Media has enabled firms to communicate with customer with ease. Companies can now provide excellent customer service by using social media platforms. For example, you have booked a ticket in Turkish Airlines and you have some questions regarding your journey. You can just go to their page and send them message and they will get back to you. Customer service through social media is both quicker and satisfactory and customers can get it staying in their house. Social media has generated an effective system communication between the consumers and the brands or firms. Marketing communication using social media such as Facebook, Twitter, and Youtube, etc. is already a common phenomenon with established brands. Designer house such as Louis Vuitton arranges live broadcasting fashion shows in their channel (Kim & Ko, 2012).

- **A huge audience**: If we consider social media as a platform form marketing then the audience in that platform is billions. There is no boundaries in Social media, no geographical boundaries, no demographic boundaries, and no biographic boundaries. People from all corner of the world, of all ages and gender, come together in the social media and there is no other media with so much audience. With over 3.2 billion internet user all over the world and form all types of groups (Fatehkia el at., 2018), social media has given firms the opportunity to express themselves to the entire globe. A seller can promote his product from the USA to a potential buyer in India with the help of the platform and expand his business.

- **Word to Mouth Marketing**: For a long time word to mouth marketing is there, it is used both in traditional marketing and social media marketing and is considered as one of the most effective ways of marketing. By no means is the consumer promotion now a one on one conversation, social media platforms has enabled the consumers to speak their mind and reach thousands of people at once. Word to mouth is the oldest form of advertisement, it is simple but it most certainly is effective, thought using social media consumer now hold the power to influence other consumers concerning the opinion and purchasing decision. Consumers are more likely to believe the feedback and advice of their peers over advertisement coming directly from the firm

through different media (Subramanian, 2018). Although Word to Mouth marketing is relatively an old concept social media has surely give it a new height. Online forums, micro blogs, discussions have given an excellent word to the mouth marketing channel. Discussion about a product between two customers in social media creates more credibility than any other marketing approach.

- **Customer Relationship**: With the increasing use of social media most of the customers are now in social media now. If a firm wants to communicate with their customer it is easier for them for both existing and potential customers. For existing customers, the relationship can be maintained through email or message simply by asking them how was the experience or if some new product is coming to keep they might be informed. Thanks to social media firms and consumers are communicating with one another without any barrier of place, time and medium which makes the traditional one-way communication changed to a more interactive two way of communication. This enables the firms and the consumers to work together and create more values (Kim & Ko, 2012). But it might not be just pros from the companies here as there are verities of the customer involved their demand might be different. Companies must be careful when using social media while using it as a customer relationship tool as every customer is different and their need and specification is different as well.

- **Data Collection**: Social media has become a prime way of collecting information about customers. As social media has data about the habit, personality, need, and demand. As the continuous increasing section of the population make use of their social media in their day to day lives, the data gather form social media has been analyzed in many different disciplines. These data gathered has four steps while analyzed, data discovery, collection, preparation, and analysis (Stieglitz, 2018). These are all very important knowledge for companies as all these can be used to identify potential customers as well as retain the existing ones. Data collection through social media makes it easier to reach their targeted customer segment and niche marketing. While going all over the market where the potential customers are scattered here and there, using social media data all the customers can be determined and reached specifically.

- **Increase Brand Awareness**: To increase a company's brand awareness there is no alternative for social media. Social media presence now is an absolutely necessary, now before any purchase apart from maybe daily stuffs customers survey the product online and check their social media sites. According to (Kim & Ko, 2010) social media can have a significant impact on the reputation of the brand and also suggested that the firms who are not engaging on the social media as a part of their marketing strategy are missing out on a huge opportunity to reach the consumers (Kim & Ko, 2012). Branding in social media can increase brand awareness at an insignificant level. Posting regularly in Social Media, advertising and involving in discussions with customers is likely to increase brand awareness and acceptability.

    Some other Benefits: Social media is a very flexible way of marketing in a sense that the contents those are used can be removed and added frequently, the environment is ever changing so the promotional activities may change accordingly and because there is not so much infrastructure required the firms can move on and try something new. The contents used in social media has a very versatile nature, the type of marketing does not have to be a stereotype but the contents can be interesting and different and new ideas can always be generated. The contents can be updated instantly and continuously, social media platforms technology allows the firms to actually measure the effect their marketing is having which are very difficult in a traditional marketing approach (Todor, 2016).

3.1.3. Social Media and the development of Startups

The rise of social media has a huge influence not only for the big firms but also they play a significant role in the development of a newly emerged firm or a startup. For the startup firms the use of social media to communicate with their stakeholders both customers and investors. The first problem or the major problem of an early stage firm is the management of the fund, finding the investors. For the development of a new business, the initial funds work as oxygen without which it cannot go far, in

most of the cases a startups future and success depends on the investors and quality of the investors. In this segment of the thesis, the author is going to discuss how social media may play a part in influencing the investors to invest in a startup and help the development of the startup.

In a study by (Jin el at., 2017) they argued that there are two potential ways that social media may help the startups funding success 1) providing the investors the opportunity to find out the opportunity of investment by the reduction of search costs 2) giving additional information to the investors so that they may evaluate better before making the investment decision. They also suggested that a strong and active social media presence in social media like twitter may influence (mentions, impressions, sentiment and followers) the increase of the chances for a startup to manage funds, increase the number of funds and also make a network for the potential investors. Early stage firms social media activity is related to better investment form investors with less information channel which improves the ability of investors to evaluate his potential investment. The social media impact is more visible for the startups where the information about quality is less available, for example where the investor does not have a network or not introduced with the situation for investment social media can act as a channel additional information channel (Jin et al., 2017).

For a startup or an early stage private financing, there might be two types of information problem both of which might be solved by social media. Number one, startup firms who are asking for private equity are not traded publicly or not listed as a centrally listed exchange firm, so for investors, it becomes a challenge to find firms to invest as there is no record in the stock exchange. Firms who are not within the range of the investors geographically or firms who do not have a strong network who would reach information to the investors those are most likely not to get funds from investors. Number two, as an early stage firm a startup, cannot provide with some traditional information such as the cash flow statement or the market position of the firm which makes it really very difficult for an investor to evaluate investing opportunity. The use of social media properly can act as a medium to exchange information saving the trouble for the investor of a costly search form investment. An active social media presence, activity and promoting information about

themselves startups can increase the awareness of their potential investors which would help the investors to identify them as a potential investing opportunity. In addition to that social media provides an additional channel of knowledge for the investors when they consider investing in a startup firm, for example, a startups popularity or acceptance in social media can act as a measurement tool of their market situation, their ability to attract customers, the influence they have on targeted customer group and the feedback they are having form the market. A positive social media feedback creates a positive impact on the investors investing decision, positive social media activity proves quality to the investors and their level of acceptance which significantly increases the chances of investment. Venture Capitalists now are taking social media more seriously than ever, Vandal Capital LLC funded Boxtera which is a startup who provide health food package because of their effective Twitter use and the ability to reach the target audience through twitter (Jin et al., 2017).

After an investor or investing firm acknowledge a potential startup next they would evaluate the opportunity of investment, the firms potential and if they actually will fund that firm or not. The startups can boost up their chances by proving the investors by providing more information through social media. For instance, from a startup's Facebook page of a profile, an investor might understand the potential the startup has to build their own brand image through social media, reaching their targeted customers and the buzz they are creating and might stimuli the investor's decision. Startups must be very careful about the information they provide online as an experienced investor would not just invest at any information he gets, to attract experienced investor the quality of the information must be satisfactory. A large portion of investors when finding an additional way of getting information than the traditional medium they are more likely to appreciate it and take it into account when making the final investment decision (Jin et al., 2017).

3.2. Challenges of Social Media

Today websites are one of the most common tools for marketing used by the business organizations. Websites build various links which act as a bridge between

the company and the receivers of the messages. Social media sites are getting more and more attention and priority as a medium of marketing form the firms but some internet marketing experts suggest that company websites should be the ultimate destination or priority for their business (Murtagh, 2013). The reason behind this assumption (Guarino, 2013) says that the business does have the control of the contents and advertisements shown to the consumers when they visit the social media sites, this power of control is in the hand of social media platform and they cannot intervene with their own analysis while a firm can get better researchers and analytics about their prospects and their existing customers in their own websites. Plus they can control the contents they want to share. (Murtagh, 2013) added some reasons for enhancing company website as the primary or major destination first, giving efforts in designing promotion in multiple various platforms is way more difficult than consternating on their one direction web site. Second, the relationship among the consumers and the company is owned by the firm itself, not by some social media platform. Third, rather than relying on data collected by social media which might be tampered with the company have their own collected data. Fourth, there are some limitation and restriction for marketing in social media which is not applicable in companies own website. Finally, the cost is reduced if the company does not hugely invest in social media marketing. The overall company website is a more unique way of marketing rather than social media marketing, every company has their own way of sharing, different natures of contents and own promotional strategy which might not be always understood by social media platforms (Klang & Nolin, 2015).

Hofacker & Belanche (2016) Pointed out there might be eight possible challenges social media marketing managers can face.

Challenge One: The Liquification of the economy: organizations purchase and sell information as a product like goods or service, according to (Lambrecht, 2014) information consumption by the rivals does not decrease the ability of others, production and distribution cost of information is almost nothing, search cost and transaction cost is lower as well. In compare to goods and services the liquidity of information is very high as information flows very frequently and easily through digital networks. This nature of digital information makes barriers like geographical

barriers permeable, also create complex in web regulation making copyright, international trade license a complicated process. And for the very liquid nature of the information which might be a problem sometimes as there is frequent database trade and there is a threat of the hackers. Cyber-attacks is always a threat as sometimes very sophisticated and classified information can lay in the wrong hand. Although the companies generally inspire and allows the customer to involve in the companies activity, generate their own contents and promotion they should also be careful in organizing in this very new and open environment (Weinberg el at., 2013)

Challenge Two: The Adjustment of the Reactive Marketing Management: with the incredible amount of data available which empowers the consumers ever than before the management of the business has been evolving all the time and be more reactive to the market situation as the companies are not in all the charge anymore. The increase of the accessibility of the internet the consumers can now demand and provide information at the same time from where ever they are, whenever they want with various devices (Gracia & Arino, 2015).This crowding of information used by stakeholders might lead to the growth of internet traffic. With social media marketing, the consumers are no longer a passive variable rather they now are taking charge form the companies and pushing them every time. Users now share both before and after the experience they have of a product which is a major issue of the success of a business. Although the firms cannot control these user-generated content, they can closely observe the discussion and reaction from the audience they are having and act promptly to that (Gandomi & Haider, 2015).

Challenge Three: Managing Customer Creation and Engagement: One of the fundamentals of marketing is the value co-creation by the customers. Customers have always played a vital role in the business conducted by a firm, customers contribution may come in different form such as information or experience sharing, product or service customization, sharing of knowledge or even quality control. So customers were always a part of creating values for a firm but now for some new firms, customers are creating almost all the values, platforms such as Instagram, Booking.com, Air Bnb where it is the customers who are responsible for most of the value created (Grönroos & Voima, 2013). The traditional marketing system is now shifting from product management to a more platform management system. In this

shift toward platform management encouraging customer engagement and the ability to deal with the two-sided market has become major factors. While a firm wants to engage customers through social media they might have to compromise some of their other traditional marketing tools such as customer care, product customization, etc. Managing customer generated contents might prove to the most important fact in the near future, firms need to nurture and keep a very close eye on these contents (Smith el at., 2012).

Challenge Four: Managing Multi-Sided Markets: The advancement of information, communication, technology, and social media has interrupted in business and made a mess with the traditional business models. According to World Economic Forum (WEF) within 2021 all the new jobs created will be related to mobile internet, big data processing, and cloud technology and around 65% of the kids who are now in primary school will do jobs which are not created yet! That's how versatile the market has gone. These new models of business which are created on the information shared have spread worldwide which refers to a multi-sided market. In general, a multi-sided market refers to a market where one participating sides do not internalize the profits and tolls with the other side. Two classic examples of the multi-sided market would be Uber and Airbnb which are expanding in the large margin and are threatening the traditional hotel and transportation market. For a company who operates in multi side market, it gets really complicated to collaborate and create a perfect marketing strategy, due to the lack of interaction between the seller and buyer it is a real challenge to manage both the sides. To handle a very complex multi side market to understand the buyers' preference as well as the sellers' preference is very crucial.

Challenge Five: Adjustment to the changed customer purchase journey: For solving consumer behavior problem, scholars of marketing suggested five steps 1) problem recognition 2) search 3) evaluation 4) purchase 5) post-purchase evaluation, these have been the fundamentals for consumer behavior for so long but as the current market situation these cycle is changing (Blackwell el at., 2001). Consumption has become a part of consumer behavior thanks to social media, it is known that sharing consumption experience whether it is positive or negative generates emotion toward that product while creating awareness. With the help of

mobile and social media sharing consumption experience has become a trending thing. People go to the restaurant now and post photos of the food on Facebook, Instagram sharing their feedback. Post-purchase engagement is another step that has become crucially important in consumer behavior, Hofacker & Belanche (2016). defined this stage as user behavior which generates user brand interaction. Consumers are now constantly giving feedback after purchasing a product, from unpacking a mobile phone to its camera performance, battery life, longevity everything is now reviewed, written in blogs, made and shared in videos on all sorts of social platforms. Social media has become a consumption and post-consumption medium for the consumers which needs to very carefully observed and monitored.

Challenge Six: The new C2C ecosystem: Word to mouth has always been one of the most effective ways of marketing and digital and social media has given a new height to it now. There are so many conversations happening in the social media with so much variety and variation which makes it a really complex procedure to keep track of the firms. Social media word to mouth is yet a relevant idea and there is a lot more to understand before a marketing manager can utilize it to the full potential. In word to mouth, it's not only the experience that the users share there are attitude, knowledge, memory, behavior everything included. Learning the new C2C ecosystem, how does it work, what is the actual impact it has on a firm's overall outcome is very challenging for a marketing manager.

Challenge Seven: Forming an attractive interaction: It not only the platform of business is changing but also the currencies are changing now. Now firm generated currencies compete with the real currencies. Currencies such as Bitcoin has taken the world of the economy by storm, who would have thought there will be money which is virtual and which would prove to be so valuable. The whole system of business has become like a game, where now the consumers are not only satisfied with a good product but they want to be entertained and they want to be engaged. Companies cannot now afford to just sit back and watch their product to be sold, they now have to be innovative in nature all the time providing the customers a reason to enjoy, give instant feedback, and clarify their goals and their positions. Managers now have to think out of the box every time all the time and there is no room for

relaxing, you think your product holds a strong position in the market the next day it can be out of business.

Challenge Eight: New Set of Marketing Skill Required: So far it is clear that social media marketing is a great tool and it has a lot of benefits but these do not just come at ease, a lot of work and effort has to be provided toward a successful social media marketing management. Textbook marketing skills are losing their value and credibility. To sustain in the digital market new skill are needed, the skill of observing the online customers, the trends of the market on the internet, the photos shared, videos made, comments given all these needs be understood and explained properly. One wrong step and the whole thing can be a mess and this social media is not known to be forgiving, one wrong post can go viral which can surely hurt the image of the firm Hofacker & Belanche (2016)
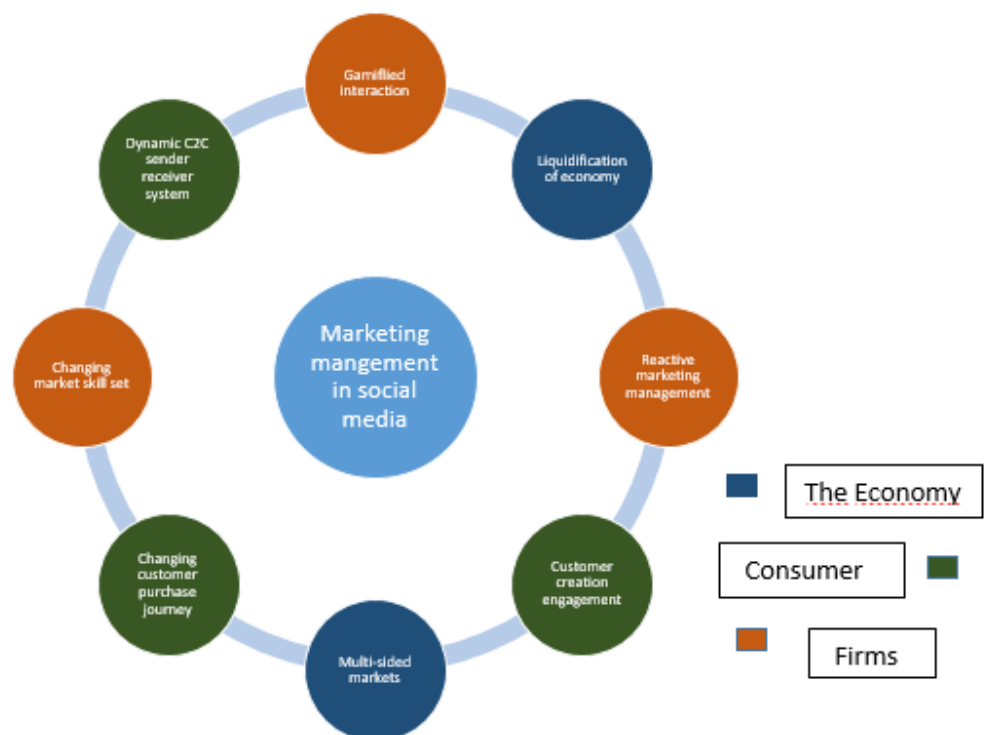

Figure: Social media challenges for marketing managers (Hofacker & Belanche, 2016).

3.3. Social media Planning and customer engagement

While planning for how to use social media for the benefits of the firm or which approach to take there are some steps, these steps need not be followed linearly, different parts of the planning might flow together or in their own direction. In this section, I am explaining how a company may plan their social media strategy from the beginning and then how the implementation stage goes.

3.3.1. Planning for Social Media

With the rapid rise of social media, the companies are now facing new challenges, they have entered into an environment where the consumers and the employees are very much involved in social media. Moreover, the competitive pressure on the companies is forcing them toward a presence in different social media platforms as the consumers now expect them to be on those channels (Larson & Watson, 2011). But most of the organization is still struggling to implement social media professionally because just using social media is not enough, firms should have a proper strategy for social media to get the benefit (DiStaso & McCorkindale, 2013). A strategy should contain specific objectives, a targeted audience and the required resources (Dutta, 2010). Social media is a specified part of the strategic decision making on the basis of digital resources and to be more specific a group of internet-based information system. According to (Woodard el at., 2013) digital business strategy is a pattern of deliberate competitive actions which are taken by firms as it competes by offering the digitally enabled product of services. (Bharadwaj el at., 2013) Defines digital business strategy as "an organizational strategy which is formulated and executed by leveraging digital resources to generate differential values". Some key elements for social media strategy are the target audience, channel choice, goals, resources, policies, monitoring and content activities. All these elements are key variables while a firm start to plan for their social media (Effing & Spil, 2016).

- **Target Audience**: A firm has to identify which are there target groups in a social media channel. A company must be able to specify their priority populations, meaning having the ability to identify, isolate and understand to which degree these segmented population use and access web 2.0 social media (Thackeray el at., 2008). This target audience might have different stakeholders, groups and cultures (Berthon el at., 2012).

- **Channel Choice:** The success of creating social media a success full business tool and a good way of communication is largely depended on the choice of the channel. (Klang & Nolin, 2011) Argued that the affordances and limitations are set by the technological infrastructure. (Kaplan & Haenlein, 2010) Provided a matrix with different social media channel having various characteristics and abilities concerning the reach of the media and self-discloser while (Dutta, 2010) made it clear that different target should be approached by different social media channel.

- **Goals:** In order to generate value social media should be aligned with business goals (Bottles & Sherlock, 2011). The purpose of social media should be very clear and well defined to be effective. It is absolutely important to have concrete and measurable goals as a part of the social media plan (Klang & Nolin, 2011).

- **Resources:** Valuable resources such as professional expertise should be allocated to gain success in social media (Thackeray el at., 2008; Dutta, 2010) Argued that the success of a firm's social media strategy is depended on the resources and quality and the authenticity of the messages. The employees attending social media should be trained and have the education of required skill to work on social media (Burkhalter el at., 2014). To attain the full potential of social media as a professional user it might be necessary to use paid social media channels.

- **Policies:** Social media has made the border between the organization and the environment very thin (Gotterbarn, 2012). Some fundamental rules should be applied in the company in order to regulate the corporate communication of the employees and protect their rights in regard to free speech. (DiStaso & McCorkindale, 2013). The regulation in communication through social media can be important within the firm in preventing bullying, harassment,

and gossip (Marlin-Bennett & Thornton, 2012). Policies can prove to be vital as a firm's reputation can be harmed if the employees do not have a clear boundary as to how social media should be used and how not to use (Burkhalter el at., 2014).

- **Monitoring:** Communication through social media is something that the companies might not control totally which is why it should be monitored properly and closely. Firms should be careful in listening and monitoring what is happening on social media channels in public space especially in the time of crisis (Berthon, 2012) and to evaluate the result and progress effectively. Measuring the impact based on simple variables such as likes, comments, questions, response, followers, visitors can help evaluate activities (DiStaso & McCorkindale, 2013).

- **Content Activities:** Planning for the content activity makes it clear on the objectives such as the timeframe and in which order project, campaign, monitoring would take place (Klang & Nolin, 2011). Scheduling the contents, posts based on planned timeframe would provide a more structured way of doing things (Barnes, 2014). Firms should be practical and realistic while scheduling and provide an indication of which contents are appropriate and authentic (DiStaso & McCorkindale, 2013).

3.3.2. Engaging Customers in Social Media

One of the fundamentals of a successful social media campaign is engaging people, customers, and potential customers. Advertising research foundation defined customer engagement as "turning on a prospective customer to a brand idea influenced by the surrounding variables" (Burns, 2006). Scholars and researchers suggest the highly increasing value of engaging customers while building a brand-customer relationship (Gambetti & Graffigna, 2010). The prime perspective of the social media business is to engage people to the brand, engagement might refer to the level of interaction, involvement, affiliation, the impact that the customers have over the firm or the brand.

(Kujur & Singh, 2016) Suggested a conceptual framework for engaging customers on social media. According to the framework, there are five important variables which influence and stimulate the customer engagement on social media, variables they identified are Vividness, Interactivity, Information, Entertainment, Incentive.
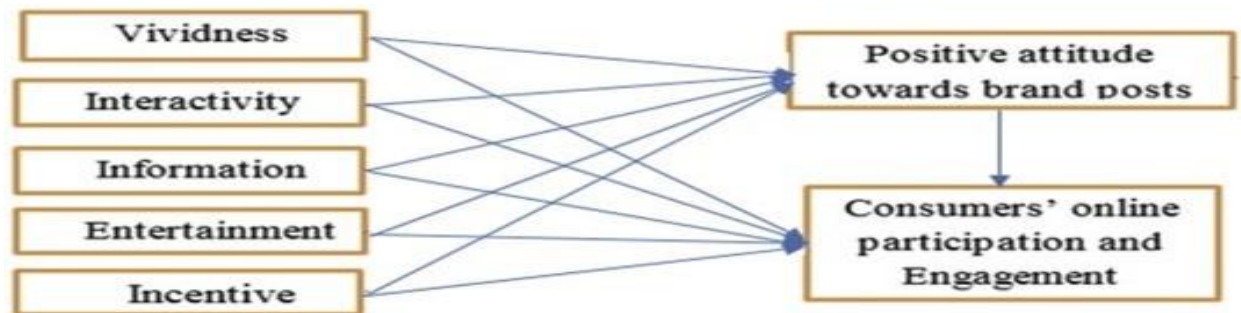

Figure: Conceptual customer engagement framework

Vividness: Vividness reference to how rich or how lively the contents are presented in the medium. Vividness in social media can be divided in two subdivisions, Depth and Breath. Breath refers to how many different sense a channel can engage and depth refers to how properly a channel can duplicate the human sensory system part (Steuer, 1992). The quality of the contents or the messages usually refers to the vividness in the online platform which includes contents like, photos, videos, comments, links, status, etc. Vividness in social media can be attained by innovative contents, colorful messages, animations, interesting videos, etc. A vivid content is more likely to stimulate different senses of a human and would increase the consumers' interest toward the brand and influence customers' participation. A greater vividness is more likely to result in a more positive and interesting attitude toward the brand (Coyle & Thorson, 2001).

Interactivity: Interactivity in the social media environment is a stimulus-driven context that influences the customers' participation and engagement in social media. According to, (Kujur, 2016) Interactivity in social media explains two-way communication between the customers and the business and among the customers as well. The main relationship is not necessarily between the sender and the receiver of the message but with the medium through which they interact. This interacting medium is also known as Telepresence which increases the level of interactivity. Different level of interactivity of a message or a content in social media

advertisement is affected by the presence in social media, arousal, and environment. The more the level of interactivity is the more possibility is there for positive impression toward the brand (Cho, 1999).

Information: Sharing and attaining information is one of the key features of social media platforms. The information which are more enjoyable and pleasure to the customer tends to attract more engagement form the customers. When a brand post on their social media page which offers informational values or social values consumers are more likely to provide a favorable response. Posts which contain information also creates motivation, create interaction and engage consumers as the post offers information about the brand or the product. While consumers are provided with information they tend to think they know about the brand and they have a positive attitude toward the brand (De Vries, 2012).

Entertainment: A very significant attribute of consumers' participation in social media is entertainment. The amount of customer engagement and participation depends on how interesting and entertaining the consumer find the activities of the firm on the social medium. Entertaining posts and contents creates excitement among the consumers, creates buzz and helps increase the brand awareness, image and leverage. Entertainment is highly valued by the consumers and brands who provide them generates a positive attitude and acceptance and engagement level tends to go high. The advertisement which are content driven are more appreciated and influence the consumers' behavior in a positive manner.

Incentive: In general incentives are defined as benefits, rewards which are provided as an appraisal of some work or to motivate someone. (Kujur, 2016) Defines incentive for social media to the customers for contributing to a brand-related content in social media platform. The brand-related contents can both be useful to content or user to user interaction about the brand or firm. People who are influenced by incentive tends to involve in contributing to brand discussions, writing blogs, posting photos and videos about the brand. Providing active users with some remuneration would encourage them to be more involved in engaging in a brand-related activity such as liking, commenting, posting about the brand. Various kinds of incentives

might be provided such as free tickets or coupons, or gift vouchers, etc. (Cvijikj, 2013).

Summary

In this chapter, there were brief discussions about the opportunities of social media and how the business might face some challenges while using social media platforms as a business tool. Some statistics about the use of social media and the effectiveness of social media was provided and later the discussion was about how the firms should plan for social media and how they can engage customers in social media. The next chapter will be about the research of this thesis, what is the method, data collection, and analysis.

4   RESEARCH METHOD

In this chapter of the thesis the author will present and discuss the method of the research which is chosen of this study on examining the roles of social media on startups of Oulu, the reason this method was chosen and then in later there will be explaination on the data collection process and how the data was implemented in this study for the purpose of this master's thesis.

4.1. Reason of case study as a research method

There are many ways of conducting a reserach on a topic which is so widely used and practiced such as social media. But for this thesis, the author had a choice to conduct the research by a qualitative case study or through a quantitative survey. Both of the methods are very practical and previously a lot of research has been conducted using both qualitative and quantitative method. For this specific thesis research, the author chooses the qualitative method of research as it made more sense that this method would provide with the most outcome and understanding because of the nature of the topic and the aim of the study. The researcher here wanted to have the firsthand experience, understanding of the case firms' point of view toward social media, how they handle and manage their activities and the practice of social media within the firm. It seemed to the author more appropriate to collect the data which are more detailed, consist more information which would help for the better understanding of the situation and for analysis. A quantitative approach would also provide with certain information and would include more firms as it is easier and less time consuming for the participants but even though with a less number of firms a qualitative approach will present with a broader aspect and there will be more detail information available, for example in the same question different firm will have different answer which might not be answered in one line. There is also a lack of certainty of how many participants would respond to a survey. Qualitative research approach provides a detailed description of the participant's emotion, expressions, opinion, and experience and interprets their meaning of actions (Denzin, 1989). Bachman (1998) in his research stated that qualitative study result gives the relationships of information processing with performance specifically and deeply. Chalhoub-deville (2008) also discussed that the qualitative approach of study has the

potential to acquire deeper insights into issues designing administrating and interpreting. Qualitative study is also useful in understanding the human experience, the qualitative research technique helps interpret and understand human experiences (Denzin & Lincoln, 2002). Also, the qualitative approach has a flexible structure as the structure can be modified and remodified to some extent according to the demand of the situation (Maxwell, 2012). Qualitative research has the ability to contribute to understanding an interpreting a complex topic or situation (Rahman, 2017).

In this thesis study, the author was able to identify and target some specific firms who would suit the purpose of the research and answer the questions the study is trying to find. While with a survey the author would likely to have the number of responding firms but to have a detailed idea and an overall understanding an interview seemed more appropriate. Visiting firms and have face to face conversation with peoples responsible for the activities related to social media enables the opportunity to look deep insight of the firms, understand different aspects and diversified point of view of how the firm actually thinks. Taking interviews face to face seemed very interesting and more practical to the author as it was also an opportunity to learn and develop skills.

4.2. Case study and Interview

Case study is an effective method of conducting research when a holistic, deep understanding and investigation is required (Feagin el at., 1991). Case study has been in use in various and different types of research, case studies are designed to bring out details from the point of view of the participants by using multiple data source. According to Yin (1993), there are three types of case studies: Exploratory, Explanatory and Descriptive, Stake (1995) then included three others to that: Intrinsic- the researcher when finds or has an interest to the case, Instrumental: when the case studied is used to find more than the obvious answers and help find a deeper understanding of the situation, Collective: when a group of cases is studied rather than one single case to one common topic. The exploratory case might be referred to as the introduction to research while explanatory cases can be utilized for casual research. The descriptive case study needs a descriptive theory to be developed before beginning the study (Tellis, 1997). Case study research is not sampling

research while this is a fact asserted by a lot of researchers such as the like of Yin, Stake, Feagin, and others. It is necessary that the selected cases are done to maximize the learning in the period of the time available for the study. The analysis unit is an important variable in the case study which generally is a system of action rather than an individual or a group of individuals. Case studies have the tendency of being selective, focused on specific one or two issues which are basic or fundamental for understanding the system which is being examined (Tellis, 1997). Case studies analysis is multi-perspectival meaning that the researcher consider not only the voice or perspective of the actors but the relevant groups of actors and the relationship between them.

Yin (1994) suggested with at least four applications for a case study model:

1. Explaining complex casual links in real life intervention
2. Describing the real-life context where the intervention has occurred
3. Describing the intervention itself
4. Exploring the situations where the intervention being evaluated does not have a clear set of outcomes.

There are two type of the case study for conducting a research, single case study and multiple case study. For this thesis, the author has chosen a multiple case study to have a detailed understanding and a broad horizontal view across the startups according to social media. It seemed more proper to analyze multiple firms and their opinion and point of view rather than just one single firm.

For a master's thesis interview is one of the major source for collecting the data. Interviews can be a very strong and reliable source of data as interviews can be targeted directly on the topic of the study or research, interviews have the characteristics of being insightful as they tend to give both the explanation and the personal point of view of the participant. Even with all the upside of collecting data from conducting the interview, there are problems which might happen. If the questions of the interview are not well structured or designed then the responses attained might not serve the exact purpose of the study, the questions asked have to

be flexible as the participants should be allowed to answer according to their will (Yin, 2014. p.106). Before conducting the interviews for this thesis the author was concerned about conducting a proper and useful interview as he wanted to collect data which would serve the purpose of the study properly. A set of selected questions were made in general for all the interview but the participants were allowed to response flexibly. Conducting the interview and getting participant for the interview was a difficult part but the author thinks he has done a good job preparing and conducting those interviews.

4.3. Data collection and implementation

The author was motivated to work on digital media and social media. After reading a lot of articles and research works it seemed to the author that there is not enough research conducted on the startup firms and the use of social media there. This study is done as a master's thesis in the University of Oulu. So it seemed more proper and affordable for the author to collect data for the thesis from the startups of Oulu. For data collection, the targeted firms were the small and medium-sized firms who are Oulu based firms.

While planning for collecting the data, the author wanted to find the firms in Oulu regions who have activities in social media. Initially, some firms were shortlisted based on the types of the firm, their industry, products and social media presence. The author wanted to interview the person in a firm who is most likely to be involved in social media and might have the most knowledge related to social media. All the listed firms were contacted through e-mail, the author personally emailed about 20 firms and from those 20 firms 9 firms responded and 4 agreed to participate in the interview. Among those 4 participating firms 3 interviews were conducted face to face, 1 was video interview via "Zoom" and 1 firm participated through email. All the interviews were conducted in English, face to face interviews and the video interview were recorded in an audio device for the purpose of interpreting them later. The interview for the companies lasted as followed: Interview 1 (Company A 25 minutes), Interview 2 (Company B 30 minutes), Interview 3 (Company C 40 minutes), and Interview 4 (Company D Email). The firms will be more introduced in

the later part of the thesis. The interviews were conducted during March 2019 and April 2019.

The caser firms were selected based on the size of the firms and the location of the firm, but it was also a major factor that the firms do have their activity online and in social media. All the firms selected for this thesis are from a different industry, 3 of the firms are technological firm but they belong to the different industry with a different market segment and different point of view. One firm is a health-related company. The author wanted to observe from a different point of view which is why he choose different industry firms.

The interviewed conducted was based on a semi-structured interview. The main themes of the interview were the background of the firms, their marketing strategies, social media channels they use and the role of social media for their firms. These main themes had sub-questions related to the main themes.

Before conducting every interview the author had researched about the firm online and had a clear idea about their operation and products so to avoid any confusion during the interview and that the right questions can be asked. In every interview, there are some new questions added based on how the participant is responding and as it was a semi-structured interview to have a better understanding the questions were modified in some occasion.

5   RESEARCH FINDINGS AND ANALYSIS

In this chapter the author discuss the findings of the interviews from the case study firms. The analysis has some categories and the case firms are described in those categories. The categories are the company background, the companies marketing strategies, roles of social media in those companies, social media channels, time and resources invested in social media, motivation for using social media, planning for social media, impact of social media, challenges of social media and what the firms think about the future of social media.

5.1. Background of the firms

	Company A	Company B	Company C	Company D
Establishment	2018	2012	2016	2015
Number of Employees and number of marketing employees	4/2	20/2	5/1	33/5
The Position of the Interviewee	Director of Sales and Digital Service	HR & Financial Manager	CEO	Marketing Coordinator
Interviewee experience in the company	1 year	3 years	3 years	8 months
Industry	Sports	GPS technology	Flexible Cable	Healthcare

Table: Case Company Background

In the table above the author has summarized the background of the case firms. Company A was established one year ago and is a spin of the company of the University of Oulu. They are focusing on the video analysis, they are formatting automatic video analysis form Artificial Intelligence (AI) and computer vision. They have their focus on sports segment at the beginning covering team sports such as Ice hockey, Football, and Floorball. Their product is a video clip, they process video clips identifying key event automatically and produce video clips based on those key events for coaches, for teams and for fans. They also do broadcasting.

Company B is developing the position technology for indoors, which is a kind of GPS functionalities that we use outdoor. They are a University of Oulu based firm. They are now seven years old but they still consider themselves as a startup as all of the employees are students there. All of the employees are highly educated as they have 10 Ph.D. students working for them and they are very much capable of handling advanced technology. They started with magnetic positioning as magnetic fields affect the metal structure of the building so they use those as a base. At the moment they are using high tech technology which is using all the other functionality and all the other things that someone can use for a cellphone, for example, one can get Wi-Fi signal a lot inside a building which is known as UP technology based on magnetic field, they also use other sources as well.

Company C basically resize and manufacture flexible cable and connectors. They are foil thin cables which are wider and replace round cables. The basic idea of their product is that their cables are lighter and cheaper as the customers save approximately 70% compared to the round cables. Their cable offers high-quality signal, low dumping, and low resistance. They have a better electronic property and they suggest they are ecological as their every source are almost 90% eco-friendly.

Company D is consist of 3 entities: Eye care (Ophthalmic instruments, Refraction instruments), positioning (GNSS, Machine control system, Precision agriculture) and smart infrastructure (Surveying instruments, 3D measurement). Company D is a diagnostic software division which is creating software for the eye care industry and beyond.

5.2. Marketing Strategies of the case firms

The marketing strategy of Company A is mainly based on direct marketing, because of their nature of the product which has a very specified target market direct marketing approach suits them the most. According to interviewee of company "A" "*our marketing strategy is mostly direct marketing, we have been utilizing direct contacts to sports clubs. We have joined certain communities such as sports communities across Europe like "Hype", also we have our contacts in the Netherlands and we are part of Microsoft network in Spain. So those are the channels we are using mostly for our marketing also we are attending exhibitions and fares as well.*" Company A is using their own contact to develop a network and trying to establish themselves in the market through the sports communities. As the nature of the product, they have a very specific group of customer and the market is very narrow so they don't want to do marketing in large scale rather they want to focus on the specific communities. They are also attending exhibitions and fares to explain their products to potential customers and also to create brand and product awareness. They currently do not have any traditional channel of marketing channels such as newspaper advertisement, print or television advertisement.

Company B is a highly technical firm with a lot of patents available to its name. According to the interviewee of company "B" "*at the moment we are in a good position marketing wise. We got a big investment from Chain's leading search engine "Baidu" which happened in autumn 2014 and it has been helping us a lot. When you look for inter positioning technology we come quite close on the top, because of the publicity we got 5 years ago. But we do not have a lot of resources for our marketing activity because we get a lot of leads in so we get inbound leads and we don't need a lot of projects as we already have our hands full of projects with which we can take our firm forward. But obviously when we get new stories to share or we have established something or doing some call marketing activities with our partners like launching new projects we like to share them. We kind of do direct marketing as the most the customers contact us*". So company B has a very strong network system and is already established in their own segment thanks to the investors from China. They do not require a lot of marketing activities as they already have their own set of customers and for the nature of their product, they do

need to expose themselves in the market. When they have something significant they use their own website and blogs to share them online.

Company C's target markets are the automatic industry, aversion industry, consumer electronics and demanding industrial application. Because of the nature of their product, they have their own set of marketing activity. Company C's interviewee says "*our technology is disruptive, in the technological sense how we are working does not fit some traditional form of marketing. How we do our marketing is, mostly we do cluster marketing. We are a member for example of Oulu where there is a cluster of companies and there is an international cluster of companies who work around. We are a member of OEA which is a German engineering subdivision which is working on printed electronics, in OEA there are also automotive aviation industry partners and then we have some couple other clusters and the member who are the key players. So from that point of view, some of our marketing is the word to mouth. And then we do quite a lot of exhibitions and conferences and among those almost 50% of the conferences are abroad and the other 50% is in Finland.*" Company C mostly rely on the business clusters for creating their business network and promoting their brands. The benefit of working in clusters is that they can share their idea and explain their product to other similar technological firms which makes it easier to flow the information. Also by attending conferences and exhibitions, they increase their brand awareness and they promote their product both in Finland and abroad. They have not considered using the traditional media channels such as television, print media or newspaper, the interviewee does not think that those are not effective channels but for their product, these channels do not serve the exact purpose.

Company D is a health-based firm which provides health care solutions. According to interviewee of company D, "*we want to become the leader in diagnostic software and create world-class software for the eye care industry and beyond. Our main marketing affords are placed in direct marketing. We do our direct marketing while we are in exhibitions. We also have our local distributors through whom we do our local marketing. And then we also have our own existing contacts whom we use for further marketing as well. As a part of our marketing activity, we also use print media.*" Company D's marketing approach is more direct, they tend to communicate their customers directly to promote and explain their products. They also use their

own distribution channels to promote them locally. Using printing media as their marketing channel differentiate themselves from other case firms.

5.3. Roles of Social Media for the case firms

The director of sales and digital marketing of company A, described social media as their main channel of promotion. According to him the main role of social media for his firm is to increase the visibility of their company and product in the market. Regarding the role of social media for his firm he says "*I think it is very important to link with social media to increase the visibility of the firm. Yes, we want to put everything we are doing in it. As a startup social media is even more important as if you are a big company there are other ways you can find out to make yourself visible in the market but for a startup company you need some contact point toward the market and you always need to promote yourself all the time in social media.*" So clearly Company A sees social media as a very important variable for their firm. They want to make themselves more visible in the market at the same time increase the brand awareness and market presence through social media. Company A is an international startup firm which makes social media a media of communication as well. The interviewee of company A says "*this week we promote our local ice hockey event in LinkedIn and in Twitter and also made the announcement on our website.*" Social media also works as a platform for sharing information, information such as attending in certain fair or events, also company A use social media as a medium of customer interaction.

Company B is mainly a B2B firm which has already a good position in the market. They don't need a strong promotional activity in the market as most of their customers know about their product and most of the time it is the customers who contact them. The HR & Financial manager of Company B thinks that for a B2B firm it is more effective and the best way to create a network is to apply the employee's contact and it is working well for their firm so far. The interviewee thinks that social media is important for the visibility of the firms, she says "*Obviously it is a good way to show that we are alive because there are a lot of things going and a*

lot of new companies are coming into our field. Social media is a good way of showing what is happening, what we are doing, what is going on in a way that my own followers will know what I am doing through sharing the post." So for firm B, social media plays its role by increasing its market presence through sharing their activities in social media. Social media also is used to share specific information with customers.

The interviewee of company C who is the CEO of the firms thinks that social media is important to present and maintain a good image in the market. He also thinks social media is a good way of sharing information and increase brand awareness. But he also does not want to share too much in social media and overfeed information to the customers, according to him, "*Webpage is our formal way of communication, we are adding there more and more data sheets, technical information and analysis and on social media we show that there is also a lighter side of us. We present ourselves in social media to remind that we are not just dried out business. We are publishing information about our conferences and in a way, we are increasing our brand awareness.*" For firm C it is important for them that the customers do not see them just as a business firm but they want to have an easy going relationship through social media. Sharing interesting information in social media while more statistical data are included in their website.

Company D is a healthcare firm feels that because of the type and nature of their firm they should be close and more involved to their customers and social media has helped them to communicate with their customers. According to the marketing coordinator of Company D, the major roles social media plays in their firm is "*Creating brand awareness, promoting their product, promoting the firm and communicate with the customers and potential clients*"

Social media has important roles in each of the case companies, the way of using and planning is different for the firms but one thing is common in all the firms that every firm use social media to generate brand awareness and increasing their presence in the market. Firms also use social media as a medium of communication and sharing information also for promoting their products and firms as well.

5.4. Social Media Channels and Contents

Company A treat social media with great importance as they mostly promotes themselves through social media. For promoting their firm they have used some links in news but mostly they use social media channels such as LinkedIn, Twitter, Instagram, and Youtube. The director of sales and marketing of company A thinks that compare to a big organization a startup like them have more use of social media, social media generates more awareness for them compare to their own website. He says "*Social media is even more important than our internal website, we have more people following on social media than people who are visiting our main website*". Their primary or main social media channel is LinkedIn and secondary channel is Twitter while they are not at all active on Facebook. They don't even have a company account on Facebook. When asked why they are not in Facebook he replied that there is not any particular reason that they are not in Facebook but they are thinking to become active on Facebook. Their social media contents are mostly pictures and short messages while they do not have any blogs at the moment in use but they recently has introduced a new blog section in their website, "*we feel we have something more to tell now*" he says. So far it has been short updates on the events they have attended, sharing some pictures and short messages but no blogging so far. The interviewee feels that blogging is very important and effective medium but because of the limitation of their resources at the moment, they are not focusing on blogs.

Company B is a little different from other firms as they are mostly B2B firm and they already have a strong market position. They do not very much depend on social media for promotion. They have a newsletter channel which has around 40000 followers which is the most powerful channel at the moment for the firm comparing to other social media channels. Their basic social media channels are Twitter, Facebook, LinkedIn, and Youtube. Their main social media channel is LinkedIn and the employees are using LinkedIn as well. According to the HR & Financial manager of company B "*I think what we are using more actively is LinkedIn at the moment and our employees are using it as well. Most of the employees have their profile on LinkedIn, our employees do not use Facebook or Twitter that much*". She thinks that for a B2B company LinkedIn is the best possible social media to create a network

and also use the employees contact there to expand the network. LinkedIn is more favorable because of its nature as well as the content in LinkedIn is more professional and the number of contents is less compare to other social media channels, "*it (LinkedIn) is not that full of stuff, in Twitter you should be following every 10 minutes to kind of like see something but in LinkedIn you can see content even after 1 week*". She also feels LinkedIn is a more professional channel than others. Youtube is its secondary channel as the firm thinks it is more stable. As contents they are using their blogs, they are posting about their technologies, they post if there are any technology and patent news. And they also post some fun staffs from their exhibitions and events as they recently posted their video shooting and the behind the scene on Youtube.

The CEO of firm C thinks that the traditional media such as the television, print, and newspaper, etc. are not old fashioned but that does not serve their purpose. They have a little lazy in social media activity but he thinks that social media is important. When asked about the social media channels they use he said, "*We are in LinkedIn, we do some activity in Twitter, we are not in Instagram yet but may this we will have something that we will put on Instagram.*" Their main social media channel is for now LinkedIn and Twitter and they are planning to be in Instagram soon. Company C decided that they will not be on Facebook when asked why he replied that the firm thinks that they don't think that Facebook is not a very effective social media channel for their firm. The interviewee thinks that Facebook has lost its value in some way, according to him the user who is in Facebook are not very professional people, on the other hand, LinkedIn is very professional and easier to get the outcome to form it. But although LinkedIn is the main social media channel for professional for now he thinks it will change, "*now LinkedIn is the main channel but it will change, I don't know either it is going to be this year or the year next but it will change.*" He thinks that for social media it is important that it is easy to use and is globally acceptable but still should be protected that not anybody can come in. When asked if they have any plan to use Facebook he replied that it would require one single person just for social media what he thinks is not very productive for them. Their contents for social media is mostly short details with the link of their webpage, they post the more recent activities they have in exhibitions and events. The firm wants to be very professional and they don't want to overfeed information to their customer so that the

customers do not get irritated from over advertisement. Company D has activity on different social media channels, they use those channels based on the type of the audience. According to the marketing coordinator of company D, their social media channels are LinkedIn, Twitter and Instagram, they also have even blog on their homepage. She thinks that all of the social media is important for the firms based on the nature of the audience, "*I would say they (social media channels) are all important but for a different purpose. Twitter is an important tool to reach professionals within the Optometry and to share news as well. LinkedIn is important to promote THS EMEA as employer and Instagram is a more informational channel current event and happenings. But if I have to choose one I would go for LinkedIn as we have the most followers in it*." Their content is most pictures, videos, blog posts and also sharing articles.

Case Companies	Main Social media Channels	Most Important Channel	Alternative/Future Channels	Contents Type
Company A	LinkedIn, Twitter, Instagram, Youtube	LinkedIn	Blogs	Pictures, short messages
Company B	Twitter, LinkedIn, Facebook, Youtube	LinkedIn	Newsletter	Blogs, Informative posts, videos
Company C	LinkedIn, twitter	LinkedIn	Instagram	Short messages, informative posts
Company D	LinkedIn, Twitter, Instagram	LinkedIn	Event Blogs	Pictures, videos, blog posts, sharing articles

Table: social media channels and contents

The main channels for social media are mostly similar in all firms. All the firms have their activity in LinkedIn and on Twitter, other channels such as Instagram, Youtube, and blogs are also used. One thing unique in all the firms is that LinkedIn is the most important social media channel in every firm. The firms think that LinkedIn offers the most potential toward their firms and LinkedIn is the most professional social media compare to other social media while Facebook has very little use in those firms. Only Company B has some of their activity on Facebook while the other firms do not think Facebook is a very useful social media platform. The contents are mostly informative posts about the firms and their activities, pictures, videos, and blogs are also used often.

5.5. Time and Resources invested in social media

Social media activities require time and resources. Resources required are mostly human and financial resources. Company A has 4 employees working in the firm and among those 2 of the employees are responsible for the social media activities, the final decision of what should be in their social media channel is taken by the CEO of the firm. The director of sales and digital services who is also involved in their social media activity says, "*we are two people together responsible for updating in social media, it is under the CEO to make the final decisions.*" Their social media activity is mostly weekly and they spend around 2 hours per week on social media activity.

Company B has 20 of highly educated employees. Including interviewee of company B, who is the HR & Financial Manager of the firm there are 2 employees who are responsible for posting and sharing their activities in social media. They take the decision together about social media. Company B is not very active in social media and the activity is mostly weekly, "*once a week, some week we are pushing more than once.*" The time spends for social media is around half a day per week.

For company C the amount of time spend in social media varies, the CEO of the company says, "*It varies, the time we spend on social media is not very much. Maybe 8-10 hours weekly and 5-15 minutes daily depending on the events. Actually, we try*

to avoid unnecessary content and post really specific and great news." They take decisions according to social media based on meetings, "*Every week we have a weekly meeting in separate places where we take decisions of what we will post next week. So it's every week under discussions.*" They have 1 person responsible for their social media activities.

The importance of social media is still growing for company D, they are active in social media 2-3 times a week. For maintaining the social media they have one person who maintains and 5 other people provides material for the contents to share in social media. The decision of what to post and what to avoid is taken by a team, "*The marketing team takes joint decisions on social media.*"

Case Firms	Employee for Social Media	Time spent on social media	Final decision
Company A	2	2 hours per week	CEO
Company B	2	Half a day per week	by both the employees
Company C	1	8-10 hours per week	team meeting
Company D	1	2-3 times per week	Marketing team

Table: time and resource invested for social media

The firms generally do their activity weekly while the amount of time spent varies based on the event ongoing. The number of employees is limited to 1-2. Except for the interviewee of Company D who has some previous experience regarding social media, none of the firms has an expert on social media to maintain and none has any paid channels. So both the time spent and resource spent is very limited.

5.6. The motivation for using Social Media

Company A identifies social media as their medium to increase brand awareness as well as to increase their network. The interviewee of company A thinks that for a startup like them social media is very important and having a good impression on social media can have a positive impact on the brand. When asked about why social media is important he for his firm, he replied "*It (social media) increase the visibility of the company and share the information when we attend certain events and any fair also when we have to announce some information. It also helps to interact with the customers.*" And the firm's motivation of using social media is also similar, the motivation behind using social media is that they want to give awareness to their company, they want to connect with their customers and they like to make people interested in their company and they think that social media gives them that opportunity.

Company B does not think that for their firm they need too much promotional activity. The interviewee of company B thinks that they already have some sort of brand and maintaining the brand social media comes handy. When they have new stories to share or they have some new establishment they think social media is a good platform to tell those stories. When asked what is their main reason for using social media? She says, "*I think it is creating the brand awareness, that the main motivation*" she also thinks that social media does not have a direct contribution in their sales but for maintaining and developing the brand social media is important.

The CEO of company C does not see the creating network as the main motivation of using social media rather it is maintaining the already existing network. They want to sustain the status they have now in the market. Social media has been useful for the firm so far in communicating and networking. They also want to show to their customers about what the present situation of the firm is, what the future should look like and keep the information up to date. "*We stared a cable company in 2014 talking about how the cable should be and other benefits, at that point we did a tour in Europe and talked to companies about what kind of cables they would need and in 2016 we founded this company. It means that all those time all those contacts who contacted us in LinkedIn, they have been hearing us talk and we managed to*

maintain those network." LinkedIn helped company C to communicate and maintain their existing network which motivated them further to use social media.

As a health care firm, company D thinks it is very important to be near where the customer needs them to be. Because of the nature of social media which makes it easier to become more visible to the customers and also it is an excellent way of maintaining communication. The interviewee of company D says "*It brings us closer to our current and potential customers and partners and it is important for us to know where or clients are.*" So as a service company, the biggest motivation for using social media to them is to become more intimate with their customers.

Form this we can see that because of the wide range and resources of social media has motivated the firms to use them. Social media is easy to understand and easy to use and social media such as LinkedIn has global expectance which enables the firms to generate and maintain existing network. In most of the cases, the main motivation of using social media is to create brand awareness and making a strong presence in the market. And also because of the low or nonexistent of using social media has motivated the companies. Although each of the firms has their different point of view all but of think that to have to good impression in the market social media is important.

5.7. Planning for social media

Planning for social media can be a critical task as the contents shared in social media can have both positive and negative influence on the firm and its image. Company A has 2 people involved in social media activity where the CEO takes the final decisions according to what will be posted in social media. Company A does not have any specific system of the format of how they will present themselves in social media, mostly they take social media decisions based on the events ongoing and the experience they have on this field. According to the interviewee, "*We don't have any specific planning process, we are just reacting to the situation. We have not created the strategy of when and how we should approach social media but we should do it*

in the near future and have a more structured way of when do we update and what do we update." So mostly their social media decisions are based on previous practical experience and reaction to the situation.

Like company A, company B does not have a specific social media strategy as well. They like to observe what is happening in the online environment and react accordingly. The interview says, "*We don't have social media strategy. I think we all the time keep our eyes open and involve the issue that could post. We always think like if people are going to visit some event, then we could pre-post or during that time so it is an ongoing system. The half-day we spent a week, it divides throughout the whole week. So we keep it on our mind and once we get some like motivation out of some big event or something interesting then we post it. We also follow our partner so if the partners are posting something we react.*" They plan their social media activity continuously and according to the situation demand. They follow and observe the reaction they are having on social media and what their partners are posting and react accordingly.

Company C does not want to share too many posts or overfeed their audience that's why they always tend to post very specifically. They want their post to be informative and interesting so selecting content is important for them. They decided that they won't be active on Facebook because they want their social media contents and audience to be very professional and specific. For deciding the contents to post, they usually have a meeting every week and decide what is going to be posted next week "*So it is every week's decision*". While planning they keep in mind the ongoing events around and their activity as well.

Due to the shortage of time Company D cannot plan their contents as they would like to. Like the other firms, they also post about their current activities and their plan evolves around the events happening. They try to schedule and plan for some post but they feel that they should have a specific scheduled calendar for every week activity for a year. "*Unfortunately, we do not currently plan the content very well due to time constraints. At the moment we post on social media when we have something current to post; for instance, industry news, exhibitions or happenings. Every now and then we use Buffer and tweet deck to schedule posts. However, the ideal would*

be for us to have a calendar with weekly planned posts for the whole year and schedule posts ahead."

Each firm here do not have any specific plan for their social media activity rather all of them tend to react to the situation and act accordingly. So we may say their plans are mostly reaction based plans.

5.8. Impact of social media

Because of the nature of social media, it is very hard to measure the impact it has on the following firm. The interview of company A when asked about the impact of the social media has on their firm replied "*It is a very hard question, the impact social media is very hard to estimate. We have received some contacts from some clients, I cannot exactly say how much benefits we received using social media we got some leads and we got some response from the audience. We somewhat increased our contact network and brand awareness through social media.*" Although he was not sure about how much impact social media has at the moment in his firm the number of responses is increasing.

Company B is also not sure on how much social media is impacting their firms, it already has very limited activity on social media. They are using social media just to maintain their brand online and share some information because of that there is not any direct impact of social media in their firm "*maybe not direct but indirect, people remember us when they need our technology for their project*" So social media act as some kind of reminder.

The CEO of company C says that social media has a direct impact on their firm at least on the subject of communication social media has impacted their firm directly. Also, he says "*we are widely known because of social media. Social media also enabled us to compare with our competitor.*" The CEO strongly believed that social media has made their approach toward customer easier because the company already know their link and the clients can also find their product easily.

Company D has received both interested job applicants and new potential clients through social media. They are hopeful that their company will get even more clients and leads through social media. The interviewee feels that social media has impacted on their visibility and feels that social media contains more potential to impact their firm even more, "*It has brought us more visibility, however, we are not using it enough for visible results. However, there is a great potential in social media which we hope to tap into in the close future.*"

So all the firms here have been impacted by the use of social media, although it is very difficult to identify how much impact social media has on these firms it can be said that social media has increased visibility and eased communication for each of the firms.

5.9. Challenges of social media

While there are is many advantages of using social media, the companies do face some challenges as well. Company "A" thinks that the main challenges of using social media are to be updated continuously and the audiences they have on social media are expecting them to be up to date. As the main objective is to create brand awareness and maintain the presence online they feel the pressure to be active and post and share information and news on a regular basis. "*I think the challenges are you should have the frequent update, people are waiting for your update. We have to build some automatic process to build something like every week or 1/ 2 days in a week to publish some news or event. Or we have to share some other update as well and show to that you are always active and update.*" For a firm with very limited resources, the interviewee of company A feels that to be active in social media on a continuous basis is a challenge.

Company B also feels that the challenge with social media is that they have to updated and active in order to maintain social media. Although they do not have too

much activity on social media but they like to maintain the status their brand has so they always have to keep their eyes open and see all the activity and responses they are having on social media. Content creation for social media can be a difficult and time-consuming task.

For company C creating a good and market standard content is very challenging. As there are so many big companies in the market who has a lot of resources to create contents, compare to them their company has to create and compete with a lot fewer resources. The interview says "*I don't want to say this in a negative sense but it is very easy nowadays to create visually really nice looking videos, it means that it requires more thought and more work to be better than everybody else. Off course if you want more you have to be better. If a company can spend let's say 1 million euro for a 20-second video which they put in their social media, we have to put a better video with just a fraction of the cost.*" Creating really good content with really limited resources and making them attractive to the audience seems to be the main challenge to the interviewee. They believe that they have a good idea but to express those ideas with full potential is challenging. Also creating neutral content is content difficult for them, as they always try to post neutral content so that nobody gets offended. But they also don't want to be too neutral as they have our own purpose and brand. Also, their idea is a bit different and it takes them time to simplify their idea and present them in social media. "A good idea is essential but as well as we cannot make videos that can offend people."

For company D the main challenges are to find and manage the time to manage social media and also to be updating constantly. As social media demands that the company is frequently posting and sharing information it gets difficult to be so active all the time, the interviewee says "*The most challenging issues is to find the time to use social media continuously as it is essential to post frequently and follow what is going on within our field of business.*"

The main challenge all the firm here facing is time, all the firm is finding it difficult to manage sufficient time for maintaining social media. The nature of social media is

that it is always changing and it demands to be updated constantly, for startup firms with their limitation of resources it gets difficult to become very active. Also creating content is another challenge as the interviewee of company C says that they have to compete with contents which are made with a lot of budget and resources where they cannot invest too much which can be applied for most of the case firms. Another challenge the firms have with the contents they share is that they have to be very careful, specific and attractive at the same time, the contents they share should be neutral and for their benefit at the same time which can be very challenging.

5.10. Future of social media

The author wanted to know what the firms think about the future of social media as a business tool. When asked about the future of social media the interviewee of company A thinks that the importance of social media is increasing and they will have a significant impact on business in the future. But one needs to be updated, active and ready to adapt to any situation as the environment of social media is always changing, "*Overall I think the importance of social media in business is still increasing, all the time some new tools popping up, new channels are popping up all the time and it requires someone to be active and updated. For example, if you go to China you have to able to use different social media as the scenario is different there. I think the importance of social media is increasing not decreasing and the impact social media has is significant.*"

The interviewee of company B thinks that social media is a strong medium to gain visibility, the algorithm used in social media allow the firms to express themselves more to the audience compare to the firm's own website which is more personal. She also believes that the firms still have a lot to learn to be benefited from social media, "*I think it's all the time, of course, getting more power. I think companies have a lot to learn how to use social media. Social media is getting more powerful, but I still believe more in the influencers like the employees who can better express their ideas.*"

The CEO of company C have concerns about the future of social media in business, he is afraid that social media does not have a very bright future and if the channels do not come up with some adjustment people might lose their faith in social media. He also does not think that social media can only act as a business platform, he says "*there is a big challenge for social media and marketing, there is already traditional media such as television, radio, print and a number of people are getting tired of social media growing.*"

He is also concerned about the security of social media as there has been a number of scam, manipulation and criminal activity happened in social media. For him, social media has crossed the border and became too personal for an individual's liking. He thinks social media have to come up with some solution to regain the trust of the audience "*if the trust is lost than people will go away from social media and the trust is already tumbling*". According to him if social media is failed to regain trust than there can be the introduction of new platforms as an alternative to social media.

The interviewee of company D thinks that social media has a bright future and the involvement of business in social media will only increase. Although she is not certain that in future the channels of social media which the companies are using right now will be there, the channels might change according to the necessity of the market and environment. She thinks that social media has to evolve with the demand and need of the audience, "*I think the future of social media is bright and that the use of it will grow within our field of business. Although the social media channels may change there will always be a need for companies to be present where the customers are.*"

Apart from company C other three companies think that social media has good potential to become a strong tool for business in the future where company C is not so certain about it.

For the interviewee of the company C trust is the main issue which social media has to work if they want to become more reliable. The interviewee of company A thinks that the companies need to be active and up to date in social media change strategy

according to the environment where interviewee from company D thinks that the traditional social media channels might change according to the need of the audience.

6   DISCUSSION

The main research questions which were chosen for this thesis was "what is the main purpose of using social media for the startups?" The sub or supporting questions were, "1) which channels are utilized and how much impact social media has on the firms? 2) How much time and resources firms invest and how they plan their activity on social media? 3) What are the challenges of using social media and the future of social media as a business tool?

In the first part of our thesis, the author introduced some theoretical aspects regarding social media and in the later part research method, case study and the data collected from those case study was introduced. Now the author can compare the case studies and find out the answer to the research questions. The author would try to explain and interpret the learnings and findings from this study.

The main research question of this study was, what is the main purpose of using social media for the startups? And the author sees that all the case firms use social media to create brand awareness and have a strong market presence. The firms think that social media is a platform which allows them to reach their clients easily and in an effective manner. One company thinks that social media is important to increase the visibility of their firm while another thinks that it is a good way of showing that they are alive. Company C thinks that social media reminds that they are not a dried out business while company D thinks that social media is good for promoting their products online. So all the firms here use social media to reach the customers and let them feel their presence online. Therefore the author sees that the main role or purpose of using social media for the case firms are creating brand awareness. The second most important purpose of social media as the author identifies is sharing the information, the firms want to share their activities, their situation currently and their plans for the future. The companies want their followers and clients to know if they attend any conference or event and if something important such as new technology or patent they are going have. They think sharing this information in social media is effective rather than just sharing these on their own website. There are other purposes of social media such as communicating with the clients as it is very easy to communicate through social media. Creating and maintaining the networks is another

very significant purpose of social media to the firms. Social media has important roles in each of the case companies, the way of using and planning is different for the firms but one thing is common in all the firms that every firm use social media to generate brand awareness and increasing their presence in the market. Firms also use social media as a medium of communication and sharing information also for promoting their products and firms as well.

According to (Zarrella 2010), there are seven types of social media which were explained in the theoretical part of this study. There were four types of social media activity present in the case firms, Blogging, microblogging (Twitter), social networking sites (LinkedIn, Instagram, Facebook) and media sharing (Youtube). The author found that the main channels for social media is mostly similar in all firms. All the firms are active in LinkedIn and in Twitter, Company A and D has active Instagram channels where company C is thinking about Instagram as a future channel, only Company B does not have any Instagram activity and has to intention in using Instagram in future as well. Other social media channels are Youtube, Facebook, and Blogs. One of the most certain found out from this study is that each of the company values LinkedIn as their primary or main social media channel. The reason behind choosing LinkedIn is also mostly similar, all the firms see LinkedIn as a more professional channel compare to other social media channel. Company B thinks that LinkedIn is the possible social media channel to create and maintain network and also because of the lack of unnecessary contents it is easier to get output from LinkedIn. Other firms also prefer LinkedIn as most of their clients and potential networking channels seems to prefer LinkedIn. Twitter was also valued in all the firms what was surprising to the author is that most of the companies think that Facebook is not a very good social media channel for their firm. Only company B has their activity on Facebook and that is also very limited. When the author began the study he thought that as Facebook is the most used social media channel, firms would be more focused toward it. Company C thinks that Facebook has lost its credibility and does not feel that Facebook is a very effective social media channel at least not for their firm, he also added that to maintain Facebook their firm needs a person committed to maintaining which their firm cannot afford. Company A does not have a Facebook account although they are thinking about joining Facebook.

The content of social media posts are pictures, short messages, informative posts, videos, and blogs. Company A shares pictures, short messages of the events, they are not currently doing any blogging but they think blogging is useful and soon they might start doing it. Company B's contents are mostly Blogs, informative posts, and videos. They like to share if there are some new technologies introduced in their firm or something that they want their audience to know. Company C also share informative posts and short messages in social media and Company D's content type is pictures, videos, blogs and shared articles. The author thinks that the firms want to share as much information as they can through social media, the firms think that if the audience has a clear view and good understanding of their firm they might be more interested. According to (De vries, 2012) if consumers are provided with information they tend to think they know about the brand and they have a positive attitude toward the brand. Posting pictures and videos also seems a good way of communication the firms. Although some of the firms are using blogging but the realization of the importance of blogging is still increasing.

Jin et al. (2017) suggested that a strong and active presence in social media the increase of the chances for a startup to manage funds, increase the number of funds and also make a network for the potential investors. So the firms have to be very active in social media and also identify how much time and resources they are going to invest in social media. As the resources of the startups are limited so they need to utilize those resources properly. The author identified that the amount of time and resources invested in social media for the case firms are mostly similar, the firms generally do their activities on a weekly basis while the amount of time spent varies based on the event ongoing. The number of employees is limited to 1-2, none of the firms has a social media expert to maintain their social media, only the interviewee has some previous working experience on social media. So it is clear that the firms do not invest too much or not very committed toward social media. The author thinks a reason behind that is the lack of resources of the firms, as Company C thinks that if they want to be in Facebook than they would need one person just to maintain the activities which they don't think is wise. Company A wants to be more active and they know the importance of blogging but has not yet started, so clearly, a limitation of resources is one of the reasons behind lack of involvement in social media. While Company C thinks that their firm does not need too much social media activity as

they already have a stable market and because of the nature of their product which does not need a lot of promotion. So the nature of product and demand in the market is also a variable for the firms to invest in social media. Another factor is the size of the firms, all the case firms are a small and medium-size firm who have limited number of employees, because of the structure of their company they tend not to invest either a lot of time or people just for social media.

Because of the nature of social media, it is very difficult to say how much impact social media has on the firms. According to (Kim & Ko 2010) social media can have a significant impact on the reputation of the brand and also suggested that the firms who are not engaging on the social media as a part of their marketing strategy are missing out on a huge opportunity to reach the consumers. In this study, all the firms think that social media has impacted the visibility of their firm and their brand. Company A thinks that social media has increased its network, increased its brand awareness and increased the number of responses from their clients. Company B thinks social media reminds their audience about their firm and product while company C thinks they are widely known because of social media. According to Company D social media has impacted the visibility of their firm. So mostly the firms suggest that social media has impacted in increasing the visibility, creating brand awareness and better communication with their clients. Although all the firm think that their firms have some impact on social media but none of them can confirm that social media has a direct impact on their sales. The reason behind that maybe is that their focus of using social media is not selling their products rather their main motivation is increasing the awareness in social media.

To answer the question the challenges of using social media the author found that the main challenge most of the firms face is to be updated all the time. As company A thinks that their firm has to be frequently updated and the audience is demanding to be updated which is a very challenging task for them. Even though company B does not have a lot of activity in social media but they feel that their firm need to be active and updated in order to maintain social media. Company D feels the most challenging issue regarding social media for them is to manage time and post frequently. So for Company A, B and D the main problem is to be active frequently, post regularly and be updated. Because of the limitation of resources of the firms, it

is difficult for them to invest a lot of time and people to keep updated frequently. On the other hand company, C feels their main problem is to create good and neutral content with a very limited resource and be compatible in the market. They want to create content which does not offend anyone and at the same time, the contents should fulfill the company requirements which is challenging. Also, the budget for making content is low compared to the contents of big organizations which is also challenging. So according to Company D, the creation of the content is the main challenge for their firm. The author thinks that the challenges the firms are facing are because of the size and nature of the firms. As startups, most of the firms cannot afford to have a fulltime employee just to maintain social media. The impact of social media is still growing on the firms and the firms are yet to decide how much time and resources they should invest in social media.

According to DiStaso & McCorkindale (2013), firms should have a proper strategy for social media to get the full benefit out of it. But during the study author found that most firms does not have a certain strategy for social media. Firms are mostly reactive toward social media, they plan their activities based on the events they have. Company A's planning process is based on reacting to the situation but they feel that they should have a more structured planning process. Company B keep tracks on the ongoing in social media and they like to pre-post about upcoming events but like company A they do not have a specific plan. According to Company C their plan is an ongoing process as they like to decide their activity every week. Company D's strategy is quite similar to other firms as they also like to post according to the events and they do not have a specific strategy for social media but like Company A they also feel that they should have a proper long term strategy. So the planning process is mostly similar for all the firms, they all like to improvise on the situation and their strategy is mainly reactive. The author thinks that because of their lack of planning their outcome is not that significant and they should have a more structured way of planning to have the best outcome from social media.

The author wanted to know what the firms think about the future of social media as a business tool, as personally, the author thinks that social media has the potential of becoming a very important business tool in the future. The interviewee of company A thinks that the importance of social media is still increasing and the environment is

changing frequently so the companies have to be ready to adjust according to the situation. The interviewee of Company B thinks that the power of social media is still increasing and the companies have to learn how to use social media for their benefits. Company C interviewee also thinks that the future of social media as a business tool is bright but the channels what we are using now might change. So all three firms think that social media has a good prospect in the future but the platforms and environment might change that's why the companies should also be ready to adjust. On the other hand, the interviewee of company C thinks there is a big challenge waiting for social media, as he suspects that the audience might get tired of social media and lose their trust. According to him, social media has to find a way to regain trust or he doesn't think there is a very bright future ahead. So overall the author thinks that although there are some challenges and difficulties of using social media but most of the firms have a positive feeling toward it. The firms still are adjusting them in social media and in author's opinion there is a lot to learn for them to have some results, the firms need to be more involved and have to come up with a better structured approached.

7   CONCLUSION.

The objective of the study was to have a better understanding of the relationship between social media and startups. In the first part of this thesis, the author provided some theoretical aspect regarding social media and in the second part, the author gathered empirical data from four startups of Oulu and tried to understand how these firms think about social media, how they are using them and why they are using them.

The main research question was "What is the main purpose of using social media for the startups?" The author came to understand that there are some various reasons a startup firm use social media but the main reason is to increase their brand awareness. As a startup firm it is very important that the market have knowledge about their presence and to build that awareness the firms use social media.

The firms which were interviewed, most of them are still in the growth stage. The author feels that there is a lot to learn for the companies as social media has a lot to offer. All the firms rely most on LinkedIn as they feel LinkedIn is more professional and they have confidence on its contents and users. But as the firms grow into a bigger organization they might give more importance to other social media channels. The firms are facing difficulties to use social media, one reason behind this is their lack of resources and another one might be their lack of experience in this field. Overall they are getting some output but that still is limited and the author thinks that their involvement has to be higher in order to get more response.

It is important to note that these results are specifically found out based on startup firms so the results are not applicable for big size organizations. There were some limitations as the author would like to conduct more interviews for empirical data but he feels that he has found the right firms and persons to do this study.

7.1. Evaluation of the study

When we access academic research, the concept of reliability and validity are evaluated (Koskinen et al. 2005). Validity is more applicable when we consider

qualitative research, where validity often refers to how competent and sound the research is. The objective is to find whether the study is properly conducted and the results and conclusions are acceptable. According to (Koskinen et al. 2005) research either quantitative or qualitative should be studied and analyzed so that it can be studied and utilized for further research.

For the theoretical part of this study, a group of scientific research journal and article was selected. All of those articles are related to the topic of this thesis and all of them are scientific articles and the references were conducted carefully which enhance the validity of the study. The interview was a semi-structured interview which was conducted to have broad and deeper learning and understanding of the topic. The questions of the interview were prepared in relation to the theory so that the answers can better explain the theoretical aspect of the study. All the interviews were conducted by the author himself to the data gathered are updated and first hand. The findings of the study are consistent with the goal of the study, the answers to the research questions are mostly satisfactory. There is a detailed discussion of the data collected and analyzed and also about the research method so that this research can be used for further study.

7.2. Limitation and Future Research

The main limitation of the study is that the study is conducted based on data collected from only four interviews. Because of the number of interviews it is very difficult to suggest any general assumptions. The interviews were conducted on only startups so the outcomes from the study may not be applicable for bigger organizations and also the region of the case firms was very specific so the result might also vary in another geographical location. The firms interviewed were mostly B2B so the results and assumptions may not be applicable for B2C firms.

In spite of the limitations, this study is a very good platform to conduct future research with a broader and larger amount of data. A larger amount of data will enable a better understanding of this topic, because of the nature of the topic and its specific location it would be a great opportunity to compare this study to a future study and understand what has changed during this frame of time.

For now, the case firms are not very focused on using social media for increasing their sales, their objective is mostly to become visible to their existing and potential clients. It would be interesting to see if the firms think in future to utilize social media for their sales as well. Right now the firms are not using any paid media channel and because of the nature of their brand and product there is very limited use of Facebook so if further study is to be conducted in this topic it would be interesting to observe if the point of view of the firms has changed. Also, the social media channels they are using now might change in time.

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