



UNIVERSITÀ
DEGLI STUDI
DI TORINO
ALMA UNIVERSITAS
TAURINENSIS



Università degli Studi di Torino

Scuola di Amministrazione Aziendale

Corso di Laurea in Management dell'Informazione e della
Comunicazione aziendale

Relazione di Laurea

Digital Era – the marketing after tomorrow: forward thinking on
On-line Media Communication Channels

Relatore:
Prof.ssa Elena Candelo

Candidata:
Alessandra Castagneri

Università degli Studi di Torino

Matricola 735270

Anno Accademico: 2012 – 2013

Index

Acknowledgments	5
Introduction.....	6
CHAPTER 1 - Digital Marketing	7
1.1 Different labels and jargon for defining online marketing	8
1.2 The web.....	9
1.3 Applications and forms of online presence.....	10
1.4 Differences between new digital media and traditional media	11
References:	13
CHAPTER 2 - Digital Media Communication Channels	14
2.1 Search Marketing.....	16
2.1.1 What is a SEO?.....	17
2.1.2 What is paid search marketing?	19
2.2 Online Public Relations	20
2.3 Online partnership.....	21
2.4 Interactive display advertising	22
2.5 Opt-in e-mail marketing.....	24
2.6 Viral marketing	26
Permission marketing	26
References:	27
CHAPTER 3 - Electronic-Word of Mouth Communications.....	29
3.1 Introducing the concept of mutual influence	30
3.2 The shift toward e-WOM – some definitions	30
3.3 Similarity & Differences.....	31
3.4 Motives for engaging in e-WOM communication	33

3.5	Who are the contributors?	36
3.6	Do you trust E-WOM?	38
	Word of mouth marketing.....	39
	References:	41
	CHAPTER 4 - Web 2.0: The Social Web.....	44
4.1	Definition.....	45
4.2	An in-depth focus in some Web 2.0's features	47
4.3	The Social Networks Sites' revolution	52
	References:	56
	CHAPTER 5- Mobile Marketing.....	57
5.1	SMS & MMS marketing.....	59
5.2	QR Codes.....	60
5.3	App-based promotions	61
5.4	In – game advertising.....	63
5.5	Can LogosQuiz be helpful in market research?	64
	References:	65
	CHAPTER 6 - Case Study : Juventus F.C.....	67
6.1	History of the company.....	68
6.2	Online presence and website.....	69
6.3	Apps and Advergames	70
6.4	Social Network Sites.....	71
6.5	Interview with Dr. Federico Palomba	73
	References:	76
	Conclusion	77
	Annex 1 – In-depth Social Network Sites analysis.....	79
	Bibliography	83

Acknowledgments

I would like to remember all those who have helped me in writing this composition with suggestions, critics and observations: they deserve my gratitude, though I shall be responsible for any errors contained in it.

Firstly, I would like to thank my supervisor PhD Elena Candelo, Associate Professor of Strategic Management at School of Management and Economics – University of Turin, for putting her trust in this project.

I continue with many thanks to PhD Asher Rospigliosi, Senior Lecturer in e-business and management information systems at Brighton Business School – University of Brighton (UK), for opening my eyes on this interesting field of studies and for helping me in the research.

I would also like to thank Dr. Federico Palomba, Head of Digital Media at Juventus F.C., for sparing me some of his time and allowing me to interview him.

Another thanks goes to my colleagues and friends who have always encouraged me and who have spent part of their time in reading and discussing with me the drafts. A special mention goes to Dr. Lorenzo Raglia and Dr. Giorgio Gallo for their personal and useful advices.

Finally I would also like to thank the people dearest to me: my friends, my family and my boyfriend for having always supported and borne me during my whole life.

Turin, 16th January 2014

Introduction

Since Internet was introduced and the first website launched in 1991 (<http://info.cern.ch/>) marketing has changed dramatically. Companies have to face with both new opportunities in terms of expanding their market, implementing new communication techniques, and new threats as well. Competition is growing tremendously and firms need to employ people with appropriate expertise and a continuous desire to keep abreast of the latest trends. The challenge that marketers have to deal with is to fine tuning online marketing campaigns in order to align them with the traditional marketing campaigns and the corporate image.

The following dissertation provides a global overview on the main digital marketing channels, which should be employed for creating a successful marketing campaign.

In Chapter 1 we will make a distinctions between the most common terms used for describing online marketing, then we will review some characteristics, applications and forms of online presence. Finally, the differences between offline and online marketing will be analyzed.

In Chapter 2 digital media communication channels will be described. For each of them both advantages and disadvantages will be assessed together with some practical examples. In the last part of this chapter Permission Marketing will be introduced.

Word-of-Mouth marketing as a special communication channel will be developed in Chapter 3.

In Chapter 4 the player will be the web 2.0, i.e. the social web, and its key features such as: blogs, mashups and social networks.

Chapter 5 will deal about the recent mobile technologies and the strategies used to reach “mobile engaged” customers.

Juventus F.C.’s online strategy will be explained in Chapter 6.

CHAPTER 1 - Digital Marketing



The Internet is becoming the town square for the global village of tomorrow.

Bill Gates

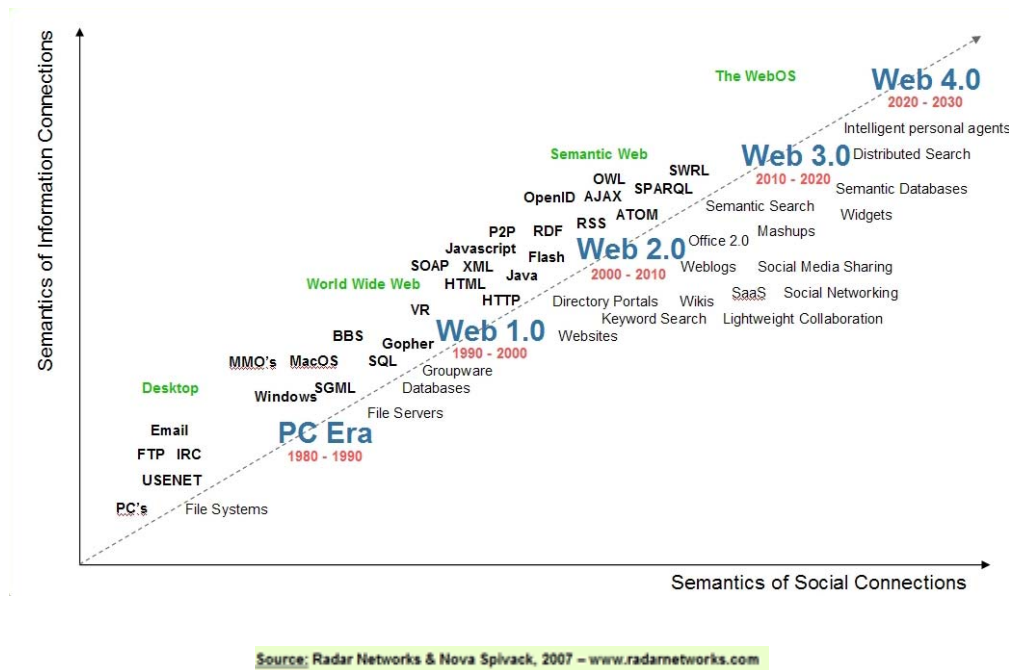
1.1 Different labels and jargon for defining online marketing

Many definitions are wrongly attributed to online marketing, but each of the following terms has its specific scopes.

Internet marketing simply consists in the application of the Internet and related digital technologies in conjunction with traditional communications to achieve marketing objectives (Chaffey et al., 2009). The term includes every techniques used to acquire new customers and to serve the existing ones. While Internet marketing is focused on the union between online and offline forms of communication, e-marketing has a wider range of action because it merges digital media with e-CRM systems (management of digital customer data and electronic customer relationship management systems). (Chaffey et al., 2009) According to the Institute of Direct Marketing, Digital marketing involves applying online channels (web, e-mail, databases plus mobile/wireless and digital TV) to market in order to achieve the following objectives: supporting marketing activities aimed at achieving profitable acquisition and the retention of customers within a multichannel buying process and customer lifecycle. The above mentioned objectives are obtained through using these marketing tactics: recognizing the strategic importance of digital technologies and developing a planned approach to reach customers through e-communications and traditional communications. Electronic commerce and electronic business are often confused with Digital marketing. While the first one refers to all financial and informational electronically mediated exchanges between an organization and its external stakeholders, the second one is each electronically mediated information exchanges, both within an organization and with external stakeholders, supporting the range of business processes. (Chaffey et al., 2009)

1.2 The web

Figure 1.1



The primary source that grants Digital marketing existence is the web. Without the large scale diffusion of the web, online marketing would never have been created. Figure 1.1 depicts an analysis of web evolution described by two variables: the semantics of social connections and the semantic of information connections. Before the naissance of web 2.0 online forms of marketing were hardly ever used, indeed Google was created in 1997-8. It was with the creation of the web 2.0, i.e. the social web, which online marketing started to flourish thanks to the diffusion of more advanced web technologies and the increased speed of Internet connections. Therefore web 2.0 is a collection of web services that facilitates interaction of web users with sites to create user-generated content and encourage behaviors such as community or social network participation, mashups, content rating, use of widgets and tagging. (Chaffey et al., 2009) Since 2010 web 3.0, i.e. the semantic web, started to peep out. The news that it brings are: cloud computing, namely a model for enabling ubiquitous, convenient, on-demand

network access to a shared pool of configurable computing resources that can be rapidly provisioned and released with minimal management effort or service provider interaction (National Institute of Standards and Technology, U.S. Department of Commerce, 2011); streamed video and IPTV (Internet Protocol Television); an increased incorporation of syndicated content; personal data integration between different sites and an increased use of semantic markups. It is still hard to predict which news will bring the web 4.0.

1.3 Applications and forms of online presence

One of the key principles of digital marketing is creating an easy, seamless, and convenient user experience for target audiences. (Boundless.com, retrieved on 2nd January 2014).

In order to create this experience marketers have many possibilities, indeed companies' online presence can have different forms. Omitting all the digital tools, which will be analyzed in the following chapters, and focusing on websites, five main types of sites can be distinguished. There are: transactional e-commerce sites, which let customers to buy products online (e.g. Amazon.com); services-oriented relationship-building sites that provide promotions and information about a brand (e.g. Kinder-ferrero.uk which lets kids playing); brand-building sites, the main focus of these sites is to strengthen brand awareness (e.g. BMW.de); portal or media sites, which offer information about a range of topics, they can be both brochureware sites, where customers' interaction is limited to consultation, and transactional sites; social network or community sites.

Digital marketing has several applications. It can be considered as an alternative advertising medium, as a direct response medium, as a platform for sales transactions, as a distribution channel, as a customer service mechanism and as a relationship-building medium. Throughout the course of this dissertation we will not focus on digital media seen as a platform for sales transactions and as a distribution channel.

As traditional marketing campaigns, implementing a digital one has both advantages and disadvantages. Doubtless the biggest benefit is represented by the possibility of being seen 24/7 on a worldwide base. Together with an increased ability to collect and measure traffic data, there is also an increased exposure of products or services and a bigger opportunity to interact directly with customers. A digital campaign can be pretty cost-effective if well-managed and little risky. On the other hand developing an online strategy may lead to have many problems. It has the chance to be universally known but it must face the global competition too. The online presence requires constant updates due to the evolving environment, and for this reason high costs of maintenance.

1.4 Differences between new digital media and traditional media

The 6 Is of e-marketing mix, theorized by Mc Donald and Wilson in 1999, will provide a useful scheme for analyzing the existing differences between new and old media. The 6 Is stays for: Interactivity, Individualization, Intelligence, Integration, Industry restructuring and Independence of location.

Interactivity: an inherent characteristic of new digital media resides in the fact that almost always customers are the ones that initiate the contact. Therefore they can be defined as pull media conversely to traditional media that are predominantly push media. New digital tools allow companies to establish a two-way relationship with their customers; they can gather, store and improve their online offers according to customers' appreciations and complaints.

Individualization: instead of broadcasting the same message to an indistinct audience, digital media offer the opportunity to tailor every message that a company send to its own customers. The process of tailoring consists in a personalization of contents or advertisings that people find on a web page as e.g. products they may like.

Intelligence: using Google Analytics marketers can find in a cost-effective way every statistics related to their website: traffic volumes, location of visitors,

contents' download, etc. This application offers a smart tool for discovering consumers' behavior and preferences.

Integration: Internet can be used as a tool for enabling customers, who ask about promotions seen on traditional media, to receive a feedback from the company; it can also be used to support buying decisions through offering more information and characteristics of a product and to bolster customer service.

Industry restructuring: every company should consider who are the intermediaries that are representing it online and if these offer better features and more benefits than their competitors. Hence disintermediation and reintermediation must necessarily be taken into account.

Independence of location: a company's website can be seen anywhere in the world. Through using digital media companies have the opportunity to expand their business to international markets without having only local sales.

According to Kiani A. (1998), Table 1.1 depicts the main differences between old and new media.

Table 1.1

	Old media	Digital media
Communication model	One-to-many (Broadcast)	One-to-one or many-to-many (Personalized)
Strategy	Push model	Mostly pull model
Participation	Monologue	Dialogue
Brand awareness	Branding	Communication
Business' perspective	Supply-side thinking	Demand-side thinking
View of customers	Customer as a target	Customer as a partner
Aggregation of audience	Segmentation	Communities

References:

- Chaffey, Chadwick, Mayer, Johnston (2009). Internet marketing – Strategy, Implementation and Practice. Prentice Hall, Financial times.
- Kiani R. (1998). Marketing opportunities in the digital world. Internet research: electronic networking application and policy, vol. 8 issue 2, pp. 185-194.
- McDonald and Wilson (1999). E- Marketing: Improving Marketing Effectiveness in Digital World. Prentice Hall, Financial Times. In Chaffey, Chadwick, Mayer, Johnston (2009). Internet marketing – Strategy, Implementation and Practice. Prentice Hall, Financial times.
- Mell & Grance (2011). The NIST Definition of Cloud Computing. National Institute of Standards and Technology, U.S. Department of Commerce - <http://csrc.nist.gov/publications/nistpubs/800-145/SP800-145.pdf> – retrieved on 5th January 2014.
- Nova Spivack (2007). How the WebOS evolves? Novaspivack.com, http://novaspivack.typepad.com/nova_spivacks_weblog/2007/02/steps_towards_a.html, retrieved on 5th January 2014.
- Pride & Ferrell (2012). Marketing. South Western University- <http://www.csustan.edu/market/williams/3410-10-10.htm> – retrieved on 5th January 2014.

CHAPTER 2 - Digital Media Communication Channels



Some say Google is God. Others say Google is Satan. But if they think Google is too powerful, remember that with search engines unlike other companies, all it takes is a single click to go to another search engine.

Sergey Brin, co-founder, Google

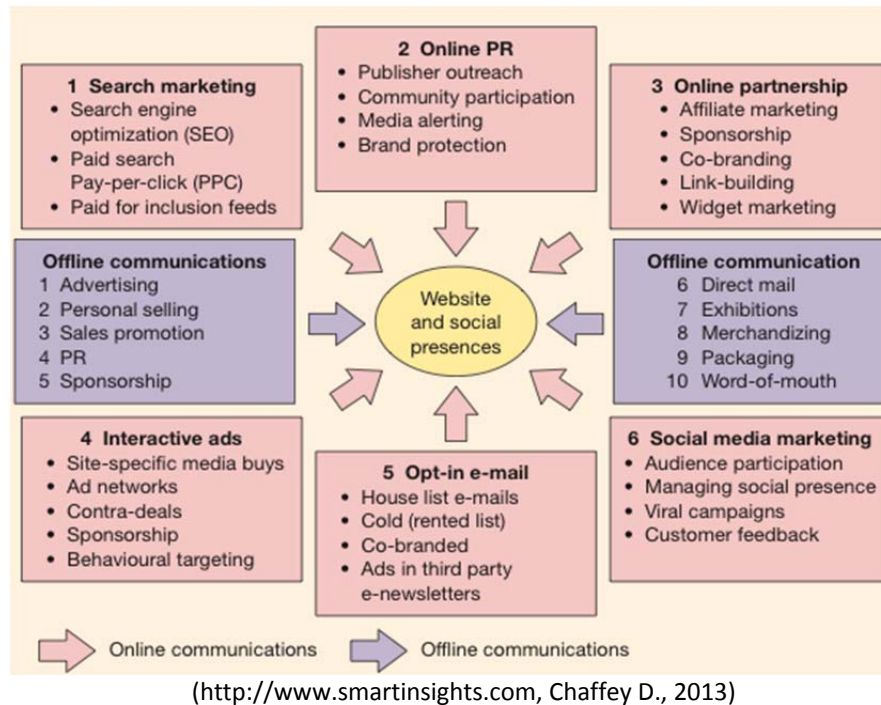
Introducing the channels

As Chaffey and Smith (2008) suggested we can identify six main groups of digital communication channels:

- a. Search Engine Marketing (SEM): it includes every activity that can tempt a customer to click on a company's website through the use of a search engine. Examples of SEM are: sponsored links using pay-per-click method and Search Engine Optimization.
- b. Online PR: it is defined as the art of presenting an organization in its best possible light to all its audiences (IPR, 1997) through the use of social networks, blogs, etc.
- c. Online partnership: it means advertising a service on another's website. This type of channel requires a long-term vision in order to survive. Affiliate marketing, widgets marketing can be grouped under this category.
- d. Interactive advertising: it includes banners and pop-up ads built with the aim of striking surfers and persuade them to click-on.
- e. Opt-in e-mail marketing: it consists in placing ads on others' e-newsletters or sending in bulk e-mails to everyone had previously agreed to receive them.
- f. Viral marketing: also known as Buzz Marketing, it exploits existing social networks by encouraging customers to share product information with their friends. (Leskovec et al., 2007).

Here in below the classification proposed by Dave Chaffey (2009)

Figure 2.1

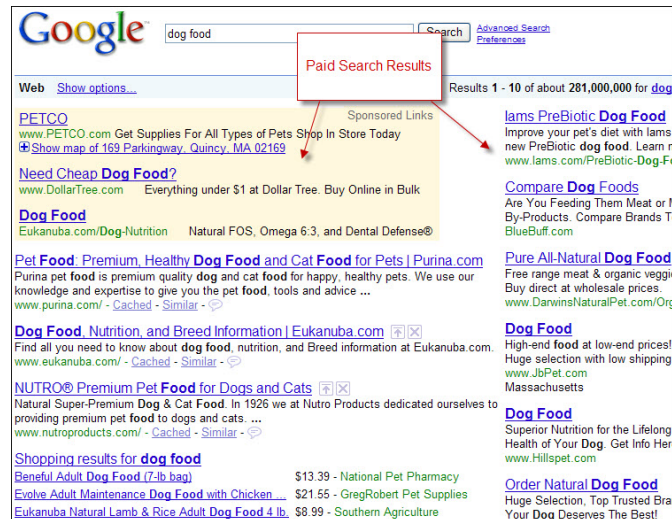


2.1 Search Marketing

Search marketing can be defined as the process of gaining online traffic from search engines. The aim of this type of marketing is to deliver right content in the search listings when a user type a specific word related to company's services and to encourage him to click on the right link. There are two main techniques both paid and unpaid of SEM: Search Engine Optimization and paid-search marketing. The first one is the process of enhancing the visibility of your link by putting it at the beginning of the natural unpaid listing. Conversely the second one is paid by a company such as a conventional advertisement. It is usually displayed at the beginning or on the right side of a search engine results page. (Figure 2.2) This placement was decided after the

discovery of the eye-tracking methodology. The mentioned method consists in tracking the movement of the eyes and as a consequence where people pay attention when they look at the results on a search engine page.

Figure 2.2



2.1.1 What is a SEO?

Search engine optimization is a methodology that groups strategies, techniques and tactics used to increase the amount of visitors to a website by obtaining a high-ranking placement in the search results page of a search engine (Webopedia, 2013).

For improving the ranking of a website's link a marketer has firstly to understand how this process of indexing works and then to put it into practice.

Indeed a search engine like Google or Yahoo! produces a listing following these steps: the first one, named crawling, consists in robots or spiders that access to web pages and takes a note of the page URL. Their task is to identify relevant pages and understand when and whether they change. The next step is the indexing process which is activated when people write a query on the search bar of a search engine and this

immediately finds the most relevant pages. It helps to rapidly scan the characteristics of each document that can be considered as a result of the research. It analyzes the spam rating, the rank, the Meta description and some other characteristics as semantic markup or the occurrence in link anchor text. The results are not yet sorted in term of relevance and it is at this moment that comes into play the ranking or scoring system, which takes into account the rank in the users' location, the numbers of visitors, the latest updates, etc. In order to conclude the process there is the query request and the results serving which gives the users the normal listings that we are used to see.

In order to design a good ranked website a marketer have to take into account two main factors: matching between the words that people used to type and his web page copy, building inbound or backlinks because Google promotes in its best ranks the pages with the highest number of external links.

There are many advantages in using SEO: they are highly targeted because people who type specific words want to know something more about a service or a product; they are cost effective because the search engine optimization is an unpaid service and they are dynamic, everything new is immediately discovered by robots or spiders.

Unfortunately there are also many disadvantages in using this channel of digital marketing: it is really difficult to predict a result because it is a combination of factors that allows your website having a good ranking; it may take a lot of time to be in the highest positions; the complexity and the dynamic nature of a search engine scanning method that always favors up-to-date sites; the ongoing investment which have to develop new contents and links and the little brand awareness that it build because searchers can just type a simple word and click on the result that they believe is the most relevant with their research.

2.1.2 What is paid search marketing?

Paid search marketing is a specific kind of business relationship where advertisers pay search engines or other Web hosts when ads are clicked, this gives the host entity incentive to display the ads as search results. (Techopedia, 2013).

Every search engine has its own paid advertising program, for instance Google has Google AdWords and Yahoo! has Search Marketing. Having this type of program could be really profitable for a search engine. It has been estimated that Google earned an amount of \$37.9 billion revenue from its advertising activity. Companies that had invested the most are: finance & insurance companies followed by retailers and general merchandise and travel & tourism.

At the beginning the position of a link in a paid search was controlled by the highest bid cost per click for each keyword. Nowadays everything is based on the quality score. It consists in the sum of all the following concepts: keyword's click-through rate, ad text relevance, keyword relevance, landing page relevance, etc.

AdWords system works best for everybody — advertisers, users, publishers, and Google too — when the ads we display match our users' needs as closely as possible. We call this idea 'relevance' (Google AdWords, 2013).

The main benefits of this channel are: marketers only pay when a customer clicks on the link and he is automatically redirected to the company's website, hence the link is displayed for free; it is highly targeted; if it is monitored through analytics it can be more predictable than SEO system; it is technically simpler than the just mentioned method; it is really quick to plan and design; it enhances brand awareness even if a visitor does not click on it he knows that a branded company offers a similar product.

Together with benefits marketers have also to deal with several difficulties: it is competitive and expensive, some phrases could even exceed £10; it is not suitable for little companies with a narrow range of products; it requires specialist knowledge that could be expensive; it requires daily checks in order to stay competitive so there is the need to employ someone that monitors it frequently; it can be irrelevant because it is just one of the numerous channels of digital communication.

2.2 Online Public Relations

In 2004 Mike Grehan, an internet marketing specialist, stated about PR: 'Both online and off, the process is much the same when using PR to increase awareness, differentiate yourself from the crowd and improve perceptions'. This statement well summarizes the purpose of PR activity that could be defined as the management of reputation – the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organization and its publics (IPR, 2003).

But then which are the main differences between the off and the online form of this communication channel? According to Ranchhod et al. (2002) the characteristics that differentiate the normal type to the online one are: the audience is directly connected with the company while for the first one it is distributed to the audience via press releases that can be manipulated by media; the audience consists in a network where everyone is connected with others in real time; publics can consult other sources and have access to a plethora of other information; people pull information because, as we have already explained, they have access to many communication channels hence it results more difficult to a message to stand out from the others.

For a marketer the main differences consist in: difficulty of controlling what has been said about the company; more opportunities for spreading his message; being even more faster in responding and checking every time every

updates; ease of monitoring because Google has developed some devices that index many pages where people is used to write about brands.

Some advantages are the cost-effectiveness of the method that could reach both niche and mass audience at the same time if well-managed, the credibility, indeed comments made by an independent person could raise the trust and the credibility around a brand at zero cost, it can helps sites to grow visibility in Search Engine Optimization, it offers, as described in the definition, brand enhancement and protection from damaging unfavorable media mentions.

Nevertheless all of these advantages e-PR has as main disadvantage the impossibility of being totally controlled. Therefore it is a matter of high-risk investment.

Some online activities wherein PR could intervene are blogs, widgets, podcasting, mashups and social networks that will be described in details in Chapter 4.

2.3 Online partnership

Partnership can be considered as something indispensable for surviving in today's market. Relations with partners are helpful and for this reason they must be well managed. Link building, affiliate marketing and online sponsorship can be considered as parts of partnership marketing.

Link-building is the practice of obtaining links to your site from relevant sites with a good page rank. This activity stays at the core of SEO and it can be either considered as an element of e-PR.

Affiliate marketing can be defined as a way for a company to sell its products by signing up individuals or companies ("affiliates") who market the company's products for a commission (Entrepreneur media.com, 2013). The first company which launched a campaign of affiliate marketing was Amazon.com in 1997; it is still using some external websites where users can reach its products. The payment is processed on the main site Amazon.com but

the company passes some percentages on the sold to the affiliate website from where the sale originated.

The advantages of using affiliate marketing are listed here below: enhancing visibility in Search Engine Results pages because there are more links to the website; reaching different types of audience through the use of niche and mainstream websites; responsiveness to marketplace changes; increasing brand awareness for a company that is new entrant; reducing risks caused by problems with the digital marketing programs; pay per performance.

The exploitation of the brand name, the damage of the brand reputation and image represent some of its problems. Sometimes it can happen that a brand is associated with something that was bad-managed by the affiliates.

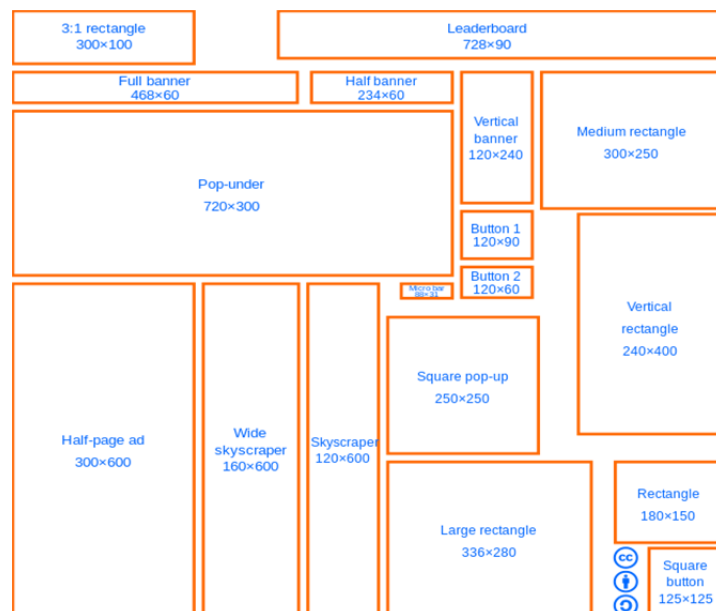
Ryan and Whiteman (2000) define online sponsorship as “the linking of a brand with related content or context for the purpose of creating brand awareness and strengthening brand appeal in a form that is clearly distinguishable from a banner, button, or other standardized ad unit.” Indeed it has been proved that people react in a better way when they see a sponsorship identifications rather than a simple banner. This online form of sponsorship also offers more opportunities to the small and low budgets websites to be known, they can see their name associated with another site. An example of online sponsorship is the one offered by The Guardian, the famous English newspaper, which came up with a new idea of building a sponsorship through the creation of micro websites powered by it. A visual image is shown below: it is a microsite that Toyota created in association with The Guardian for promoting the car Prius.

2.4 Interactive display advertising

Online display advertising consists in paying spaces on others' websites, which offer products or services related to your advertising purposes, e.g. Philadelphia by Mondēlez International (formerly Kraft Foods) placed its display ads on recipes' sites for increasing brand awareness and suggesting more recipes with

it as an ingredient. It is used both for promoting a product/service and for driving traffic to a company's destination site. It can be shaped into different forms and layouts, but the most commonly used are: banners, skyscrapers, flash based ads, pop-up windows, etc. Furthermore there are interstitials which show adverts before another page appears and overlays which appear above a website's page. All these items may have different dimensions but the Interactive Advertising Bureau (IAB) decided to standardize some sizes. The figure here in below shows some display advertising's guidelines. (IAB, 2013)

Figure 2.4



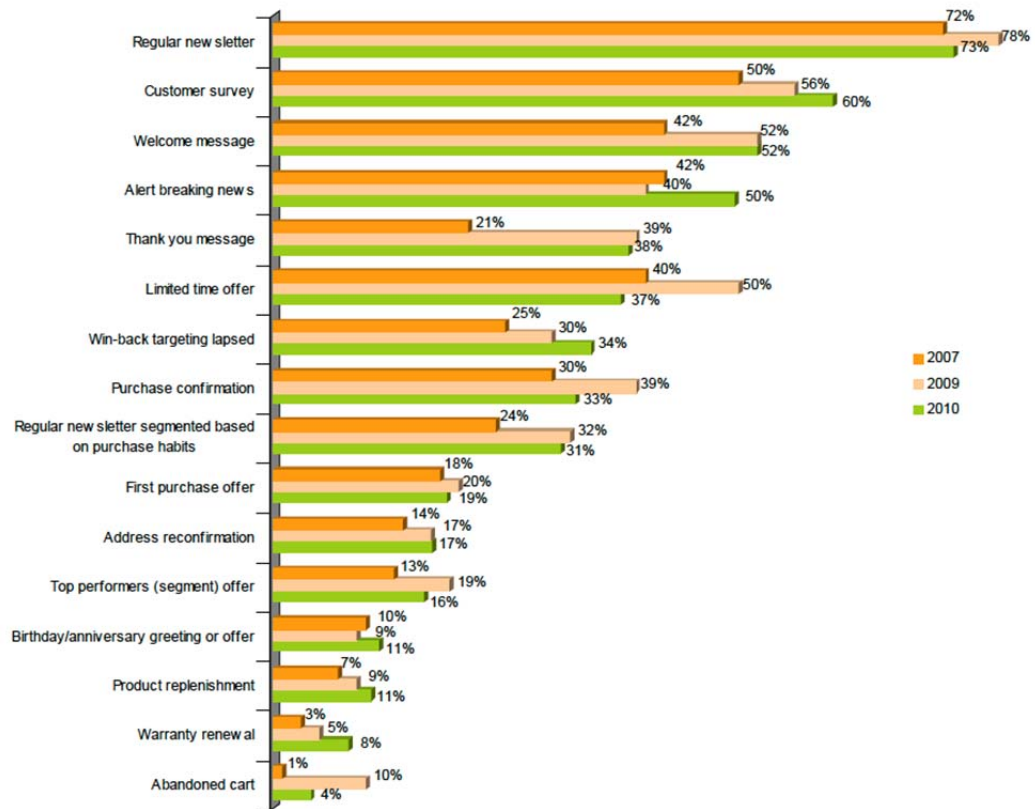
As for other channels there are both many advantages and disadvantages of using this form of promoting. Beginning with advantages: it enables a direct response through clicking on the ad, it enhances brand awareness showing products, it gives a halo effect of being exposed every time to the same advertising, it offers up-to date news and the possibility to well measure every variable. The main disadvantages consist in the little attention that people pay to these banners related to the high costs for implementing an interactive ads campaign, another challenge that marketers must face is the AdBlock system, an extension of Google

Chrome, Safari and Opera browser, which blocks advertisements and filters every online contents.

2.5 Opt-in e-mail marketing

E-mail marketing has been recognized as an effective marketing tool for reaching both new and existing customers. It involves sending e-mails either with advertising purposes or for building trust and enhancing brand awareness. Marketers can rent an existing e-mail list or draw it from their customer database. E-mail marketing can be seen from an inbound or from an outbound perspective. Inbound e-mails are: customer enquiries, FAQ, endorsement or recommendations, acquisition (sending e-mail to a friend). There are many options for outbound e-mail campaigns such as cold e-mails made by lists' rental (they can be often seen as spam), co-branded e-mails in which a customer receive an e-mail with an offer from a company he has an affinity with, third-party e-newsletter where a product is displayed on another's e-newsletter. The tactics that opt-in (the permission is given by customers) e-mail marketing employs, are: conversion e-mail, a customer agreed receiving company's emails by filling out and registering on the company's website the computer system will immediately send him a welcome e-mail with some promotions; regular e-newsletter sent on a weekly or monthly base with the aim of informing customers about the latest offers, this method is highly trackable and uses HTML language; house-list campaign; event triggered sent on a sample base with unusual promotions when something happens as current topical event (Olympics, Christmas, etc.) or for a customer's birthday. The following graph depicts the usage's percentage of e-mail marketing tactics.

Figure 2.5



(Chaffey, 2010 - <http://www.smartinsights.com/email-marketing/email-communications-strategy/alive-and-well/attachment/email-report-popularity/>)

There are several reasons why e-mail marketing is still used. First of all it is more cost-effective than sending direct mails, it drives a faster response and reduces delays in communication, it is easily customizable, it can be integrated with other direct media such as mobile text messaging, it is flexible because it surfs across platforms and it is interactive, it invites immediate action, and finally ROI and others financial variables can be tracked easily.

The disadvantages are represented by the deliverability, there can be Spam filters, response decay, and the resource intensive that always require up-to-date and additional technologies and the renderability for the images for example.

There are four important e-mail analytics to be observed. The first one is the bounce rate that can be subdivided in soft bounce which occurs when an e-mail box is full or unavailable and hard bounce where the e-mail address is incorrect. Then there is the delivery rate which is represented by the e-mails that are actually received by the recipient. It can be calculated by subtracting the bounce rate to the sent rate, but you must always pay attention to Spam filters. The click rate that is the number of people that actually open the e-mail and click on images or links, it can be calculate with the correct amount or in percentage. The last rate is the conversion rate that shows what people do when they open the website – purchase, download content, enter completion or share contents.

2.6 Viral marketing

On the Internet, viral marketing is any marketing technique that encourages users to pass on a marketing message to other sites or users, creating a potentially exponential growth in the message's visibility and effect. (Search CRM, 2013). One of the first viral marketing campaigns was The Blair Witch Project's (shot in 1997) video trailer, this video saw an incredible popularity if we think that in 1997 social networks, YouTube and internet were not really used.

In Chapter 3 we will review viral marketing as an extension of Word of Mouth marketing.

Permission marketing

As Seth Godin said (1999): "Permission marketing is the privilege (not the right) of delivering anticipated, personal and relevant messages to people who actually want to get them. It encourages consumers to participate in a long-term, interactive marketing campaign in which they are rewarded in some way for paying attention to increasingly relevant messages". This sentence means that people freely agree to receive something, they will complain if this service ceases to exist. Godin was the first who uses this term, he said: "When I launched my book (Permission Marketing – Turning strangers into friends and friends into customers,

Ed.) that coined this phrase some years ago, I offered people a third of the book for free in exchange for an email address. And I never, ever did anything with those addresses again. That wasn't part of the deal. No follow ups, no new products. A deal's a deal.” (Godin, 2008).

The whole concept, introduced by the quotation, may be summarized in five steps: firstly it is necessary to give customers an incentive to start like something for free; secondly to suggest them specific ways where your product will be helpful; thirdly to fine tuning the incentives, fourthly to increase your permission to gather more data and lastly to leverage it into a profitable situation for both of you.

Permission marketing is implemented in different ways, but the most common one is asking customers to fill out a questionnaire form or a survey indicating personal details and field of interests by which people agreed to be informed about a product or a service.

To put it into a practical example the Facebook opt-in or like gate should be mentioned. Customers click on “like” on a particular page about a product and, as a consequence, they formally agree to receive news and updates about it.

References:

- Chaffey, Chadwick, Mayer, Johnston (2009). Internet marketing – strategy, implementation and practice, Prentice Hall Financial Times, London.
- Godin, S. (1999) Permission Marketing – Turning Strangers into friends and friends into customers. Simon & Schusters. New York.
- Grehan, M. (2004). Increase your PR by increasing your PR, E-marketing News, November 2004.
- IPR (2003). Unlocking the potential of PR. A best practice report. IPR and DTI
- <http://entrepreneurmedia.com/> - Affiliate marketing definition. (retrieved on 7th December 2013)

- <http://www.iab.net/> - Ad Units Guidelines. (retrieved on 8th December 2013)
- <http://www.smartinsights.com> (retrieved on 4th December 2013)
- <https://support.google.com/adwords/answer/2454010> - Check and understand the Quality Score. (retrieved on 3rd December 2013)
- <http://www.techopedia.com/> - Paid Search marketing definition. (retrieved on 3rd December 2013)
- <http://www.theguardian.com/prius> - Prius Microsite powered by The Guardian (retrieved on 7th December 2013)
- <http://www.webopedia.com/> - SEO definition. (retrieved on 3rd December 2013)
- Kim L. (2012) What Industries contributed to Google's \$37.9 billion in 2011 revenues? - <http://www.wordstream.com/blog/ws/2012/01/23/google-revenues> - (retrieved on 4th December 2013)
- Leskovec, Adamic & Huberman (2007). The dynamics of viral marketing, ACM Transactions on the Web, 1, 1, 39pp.
- Ranchhod, Gurau & Lace (2002). Online messages: developing an integrated communications model for biotechnology companies, Qualitative marketing research: An international journal, 5(1), 6, 18.
- Ryan & Whiteman (2000). Online advertising glossary: sponsorships-ClickZ Media selling channel.
- Seth's Blog by Seth Godin – Permission Marketing (2008) - http://sethgodin.typepad.com/seths_blog/2008/01/permission-mark.html. (retrieved on 9th December 2013)

CHAPTER 3 - Electronic-Word of Mouth Communications



"If you make customers unhappy in the physical world, they might each tell six friends. If you make customers unhappy on the Internet, they can each tell 6,000."

Jeff Bezos (President of Amazon.com)

3.1 Introducing the concept of mutual influence

It has been acknowledged by many scholars that human people's behavior is easily impressionable by others' opinions. The concept has been covered by a lot of researchers beginning from Arndt, one of the first WOM's scholars. WOM, namely Word of Mouth, is an "informal, non-commercial, oral, person to person communication about a brand, a product or a service between two or more consumers (Arndt, 1967). Even Kotler, the founding father of marketing, stated that "advertising is one of several influences on a person's behavior and probably less important – because it is known to be self-serving – than such influences as peers and personal observation" (Kotler, 1967). In view of the above we define WOM as a sort of free advertising, it being understood that advertising is defined as "any paid form of non-personal presentation of ideas, goods or services by an identified sponsor" (Alexander, 1964). WOM is the same but for free, indeed it can be promoted by a sponsor but it can be spontaneous too. WOM, which is also known as face to face communication or grass roots marketing, can be either positive or negative as we will see in the following pages.

3.2 The shift toward e-WOM – some definitions

In recent years Internet's development has led to the appearance of a new form of Word of Mouth communication, the so called e-WOM – Electronic Word of Mouth (Granitz & Ward, 1996). The reason why internet is so attractive for consumers stay in its intrinsic features, indeed it is characterized by a high degree of multimediality and a high degree of interactivity. "Some of the medium's most significant characteristics are its "always on", easy 24-hour access to the most updated information, its global coverage, an unlimited amount and source of information on products, brands or even competitors, its facilitating role in the ordering, customization and payment for goods, and the medium's ability to target specific groups or individual" (Sankatsing, 2007). According to all these reasons e-WOM is becoming one of the most important tools to be considered in order to plan a successful marketing campaign.

E-WOM is also known as Word of Mouse, Viral/Buzz, Consumer to Consumer (C2C) communication. Here in below some literatures definitions are presented for better understanding the topic:

“Using consumer communication as a means of multiplying brands popularity through customers spreading the brand name of a product or name of a company” (Hennig-Thurau et al., 2004).

“Any positive or negative statement made by potential, actual or former customers about a product or a company, which is made available to a multitude of people and institutions” (Stauss, 2000).

Both the two definitions focus on given opinions about products or services that can be easily spread all around the world.

3.3 Similarity & Differences

The Stauss’ definition clearly introduce one of the main differences between Offline WOM and Online WOM: while the second one is widespread and everyone can access to it, the first is personal and only few people know about that. Electronic word-of-mouth communications occur in an anonymous, asynchronous online environment that allows consumers to share positive and negative experiences (Chatterjee, 2001; Petrescu & Korgaonkar, 2011). The opinion is written and, as consequence, reliable for many years while WOM is almost always an oral expression of personal thoughts. Furthermore, online communication tends to be more willing to disclose personal information and to be more honest and forthcoming about its point of views (Roed, 2003), indeed people tends to hide information to close friends. In addition the ones that read e-WOM opinions are not influenced by the background, the appearance, the status, the neighborhood and the workplace of the writers. Therefore more the ties are weak between the writers and the readers more there are benefits for the second ones. We can find three main benefits to have weak ties instead of having strong ones. Firstly, the input to a decision is stronger because the opinion of the readers is not influenced by biases. Secondly, the information is diversified and the readers can find a lot of different

opinions. Finally consumers can find a high quality input because they can ask for experts' opinions. There can also be difficulties in having weak ties, for instance: weak- tie sources may make it harder for consumers to assess the quality of the WOM information they are receiving (Constant et al., 1997) because sometimes e-WOM can be also piloted for commercial purposes. Figure 3.1 depicts the characteristics of the seven most important sources of Online WOM. (Schindler & Bickart, 2004)

Figure 3.1

Characteristics of Seven Sources of Internet Word of Mouth				
	<i>Information Flow</i>	<i>Timing of Interactions</i>	<i>Interacting With</i>	<i>Referability</i>
Posted reviews	One-way			Constant
Mailbags	Two-way	Delayed	Sellers	Constant
Discussion forums	Two-way	Delayed	Consumers	Constant
Electronic Mailing List	Two-way	Delayed	Consumers	Limited
Personal e-mail	Two-way	Delayed	Consumers	Limited
Chat rooms	Two-way	Immediate	Consumers	Limited
Instant messaging	Two-way	Immediate	Consumers	Limited

As the graphic suggests there are seven main sources of e-WOM:

- a. Posted reviews: a sum of consumers' opinions and thoughts published on their own websites or on other websites specialized for this purpose, such as Tripadvisor.com or Metacritic.com, while the first one gives advices about where to go eating, the second offers a complete overview on consumers' opinion about games, movies and music.
- b. Mailbags: they are feedbacks posted on a company's website by customers.
- c. Discussion forums: website that provides an online exchange of information between people around particular topics. It provides a venue for questions and answers and may be monitored to keep the content appropriate. A type of discussion forums is Usenet. It is a global network made up of thousands of interconnected servers in which consumers, that

have access, can share news and opinions organized in threads, about a common topic. Google Groups are a Usenet example.

- d. Electronic mailing list: digital list of e-mail addresses used to deliver particular electronic messages – opinions - over the World Wide Web. (Business Dictionary.com, accessed by 27th October 2013).
- e. Personal e-mail: ordinary e-mail messages sent by one to a single or a group of receivers.
- f. Chat rooms: a real-time online interactive discussion group often based on a particular topic. (Merriam – Webster Dictionary, 2013).
- g. Instant messages: a system for exchanging typed electronic messages instantly via the Internet or a cellular network, using a shared software application on a personal computer or mobile device. (Dictionary.com, accessed by 27th October 2013).

Other examples could be blogs, Twitter streams, Facebook pages, embedded social media, message boards, Brand-user groups.

WOM and e-WOM have also many similarities: both are motivated by the consumer's desire to help others by sharing information, referrals or warnings about products and services (Gatignon & Robertson, 1986; Petrescu & Korgaonkar, 2011). The strength of their influence depends on the sender's trustworthiness, level of expertise, the receiver's level of effort in seeking information, and the receiver's own personal experiences with a brand or product (Arndt, 1967; Bansal & Voyer, 2000; Bickart & Schindler, 2001; Chang, Lee & Huang, *n.d.*; Senecal & Nantel, 2004).

For summarizing they have the same aim: warning and protecting consumers, but they express it through different ways.

3.4 Motives for engaging in e-WOM communication

Clarified the assumption that WOM and eWOM are related figures the motives for engaging in WOM communication found in the literature can be also expected for e-WOM. The following table (Figure 3.2) provides an overview on

the motives for WOM communication behavior identified in the literature (Hennig-Thurau et al., 2004).

It is interesting to notice that only 5 motives out of 17 are purely done in order to help others. The remaining motives have other aims, such as showing off personal expertise about a product, asserting superiority, obtaining advices from others' experiences, fighting against a company after having experienced problems with it, reducing anxiety after a purchase decision, etc.

Figure 3.2: Motives for Word of Mouth Communication behavior identified in the literature. (Hennig-Thurau et al., 2004)

Author(s)	Motive	Description
<i>Dichter (1966)</i>	Product-involvement	A customer feels so strongly about the product that a pressure builds up in wanting to do something about it; recommending the product to others reduces the tension caused by the consumption experience.
	Self-involvement	The product serves as a means through which the speaker can gratify certain emotional needs.
	Other-involvement	Word-of-Mouth activity addresses the need to give something to receiver.
	Message-involvement	Refers to discussion which is simulated by advertisements, commercials.
<i>Engel, Blackwell, & Miniard (1993)</i>	Involvement	Level of interest or involvement in the topic under consideration serves to simulate discussion.

	Self-enhancement	Recommendations allow person to gain attention, show connoisseurship, suggest status, give the impression of possessing inside information, and assert superiority.
	Concern for others	Genuine desires to help a friend or relative make a better purchase decision.
	Message intrigue	Entertainment resulting from talking about certain ads or selling appeals.
	Dissonance reduction	Reduces cognitive dissonance (doubts) following a major purchase decision.
<i>Sundaram, Mitra, Webster (1998)</i>	Altruism (positive WOM)	The act of doing something for others without anticipating any reward in return.
	Product involvement	Personal interest in the product, excitement resulting from product ownership and product use.
	Self-enhancement	Enhancing images among other consumers by projecting themselves as intelligent shoppers.
	Helping the company	Desire to help the company.
	Altruism (negative)	To prevent others from experiencing the problems they had encountered.
	Anxiety reduction	Easing anger, anxiety.
	Vengeance	To retaliate against the company

	associated with a negative consumption experience.
Advice seeking	Obtaining advices.

In order to make the explanation about e- WOM more detailed an analysis of the motives that push people to get involved is necessary. Balasubramanian and Majan (2001) made a distinction between three types of social interaction utility: focus-related utility, consumption utility and approval utility.

Focus-related utility refers to the utility that the consumers get when they offer their contribution in a web community. The real purpose of this utility lies in the value that the consumers feel to donate to the community's participants. An important question that can falls under this part is the strong power that the consumers can exert over a company. After several negative comments the writers can influence the whole public and they can push all together a company to go bankrupt.

Consumption utility means that readers can earn knowledge about a product through reading others 'comments and opinions. Many times it can even happen that people are tempted to answer or to write their comments as response.

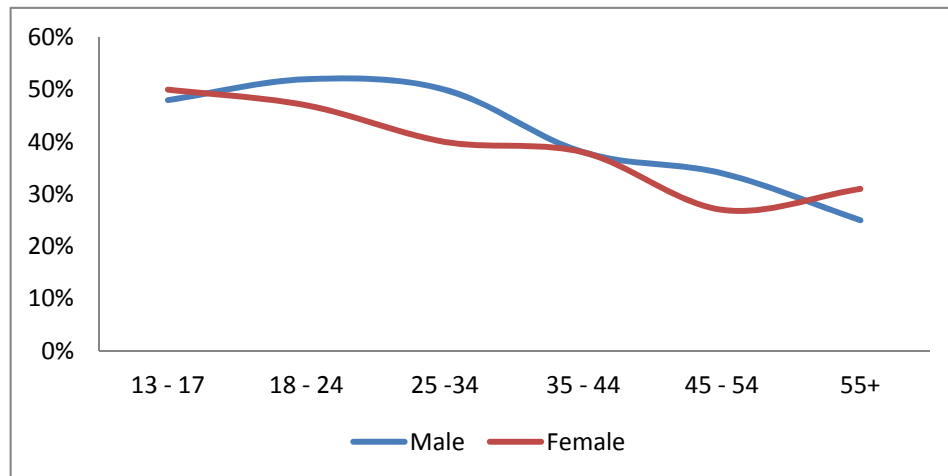
Approval utility is the self enhancement that comes inside the consumers when they feel approved by the public. The community praises their contribution and they immediately feel important and considered. Another form of approval utility can be the economic reward that comes when an opinion is recognized to be useful by the platform operator. It has been demonstrated that economic reward is a driver of human behavior and people feel appreciate when they are rewarded with a prize (Lawler, 1984).

3.5 Who are the contributors?

E-WOM's creators are ordinary people with different ages and different gender. It has been demonstrated that everyone contribute in a certain way and

share opinions on the net. There is a slight difference between genders as it can be noticed in the graph here in below. (Figure 3.3)

Figure 3.3



(Riegner, 2007)

Figure 3.3 depicts that more women aged 13-17 and 55+ are involved in content's creation than men. Conversely there is a pick among 25-34 for the male gender. The graph clearly shows that both genders are engaged in e-WOM creation and communication.

Following the studies of Cate Riegner (2007) we can categorize the population that takes part in communication activities on the web as follows:

- Social Clickers: they are really active on the web and they tend to influence others with their personal opinions. They spend 57% of their time online in communication activities. According to the theory "Two steps flow of communication" by Katz and Lazarsfeld (1955), this group can be considered the opinion leader of our times.
- Online Insiders: they are similar to Social Clickers, but if the first ones prefer to share their opinions through message boards, blogs and chat rooms they prefer to create a virtual profile. They like to play a fictional online character and to assume a particular voice. As the studies demonstrate they are avid online shoppers who like to rate everything.

- Content King: the representatives of this segment are young boys addicted to online entertainment. They like to play and share opinions between those who belong to their same group (e.g.: peer to peer file transfers).
- Everyday Pros: they are practice and they do not want to spend much time on Internet. They like to rate and to read reviews but they do not post their opinions. They are especially involved in activities such as online banking and investing.
- Fast Trackers: they want something and they want it now, they are not using internet as an entertainment tool but they use because it offers a quick answer to their questions, such as: what the weather will be like tomorrow? Which is the news? Which are the results of the football match?

3.6 Do you trust E-WOM?

This is one of the biggest problems that affect e-WOM because people cannot know if a posted opinion or comment is written with the intentions of earning, financially speaking, or not. Sometimes it can happen that a company tries to pilot comments in her favor and tries to influence, in a negative way, the future of its competitors. Indeed the problem is that the information are biased due to the false identity of the writer or because the message is filtered and selected by the website's owner.

In order to reveal the deception consumers must pay attention to some clues scattered here and there in posts. One simple clue for bias is to notice who is the website's owner. It can be possible that the comments are falsified if the owner is the retailer or the manufacturer of the product. A second sign can be the total lack of negative information about something because rarely something really perfect exists. Another clue, a little bit more difficult to find out, is whether the written words are based on authentic first-person experience. The credibility is enhanced if it is written with "I" as subject. On the other hand if the comment seems extolled the credibility can be questioned. (Schidler & Bickart, 2004)

Conversely there could be other clues for understanding the validity of e-WOM communications. These are: the presence of specific details about both the product's characteristics and the personal experience; the presence of consensus among the reviewers, in this way they can validate or not others' comments; the wording, nobody will trust if someone write "do not buy it", "it sucks", "it is the most beautiful product that I've ever bought in my life", etc. (Schindler & Bickart, 2004)

Word of mouth marketing

In order to exploit this opportunity also at their favor companies started to think about creating a special marketing strategy based on Word of Mouth communication. WOMMA, the American Word of Mouth Marketing association, founded in 2005, describes WOMM as: "Giving people a reason to talk about your products and services, and making it easier for that conversation to take place. It is the art and science of building active, mutually beneficial consumer-to-consumer and consumer-to-marketer communications". (WOMMA, 2008). Therefore WOMM does not concern about creating a conversation, but rather about fostering them and making people interested in. WOMM includes many tactics and different approaches. WOMMA identify the most relevant forms for online WOM as:

- Buzz marketing: giving people a reason to talk about you by offering them something new and original through a certain form of entertainment. The onomatopoeic origin of the name, similar to bees' call, refers to the aim of reaching hive of consumers in the shortest time as possible.

A funny example of buzz marketing is the one realized by the company BlendTec. The company, which produces powerful blenders that are able to destroy even metal, began to upload videos on YouTube. The plot of these video is almost the same for all: the CEO of the company, Tom Dickinson, blending everything (iPhone, iPad, Xbox's games, etc). This strategy triggered everybody interest and it made people speaking about the company at the cost of an iPad.

- Viral marketing: it consists in a plethora of actions and promotions about a product that spread on the web in an uncontrolled and exponential way like a virus. An example is the campaign created by Tipp –Ex on YouTube: writing some words the user can decide in which way the hunter can kill the bear.



- Community marketing: supporting or creating community of fan clubs or user groups that are interested in your brand.
- Influencer marketing: trying to persuade opinion leaders who are likely to talk about you that your product has a real value.
- Conversation creation: interesting advertising, entertainment, catch slogans created with the purpose of starting WOM dialogues.
- Brand blogging: sharing information and offering a transparent and clear communication in a form of a blog.
- Referral programs: creating tools that enable satisfied consumers to talk about with their friends.

To exploit this type of communication's channels marketers need to use appropriate techniques tailored for the opinion leaders when their products are at an early stage of diffusion.

Every company should remember David Ogilvy's sentence: "*The Best advertising is Word of Mouth*". (Mac Leod, 2005)

References:

- Alexander, R.S. (1964) Marketing Definitions. Chicago: American Marketing Association. In Buttle F., 1998. Word of Mouth: understanding and managing referral marketing. Journal of strategic marketing, 1998 (6), 241-254
- Arndt, J. (1967) Role of product- related conversations in the diffusion of a new product. Journal of Marketing Research 4, 291–5. In Meiners, Schwarting, Seeberger, 2010. The renaissance of Word of Mouth Marketing: A new standard in Twenty-First century Marketing Management. International Journal of economic Sciences and Applied Research 3 (2): 79-97
- Balasubramanian & Mahajan, 2011. The Economic leverage of the virtual Community. International Journal of Electronic Commerce, 5, 103-138 in Hennig-Thurau et al. (2004). Electronic Word of Mouth via consumer opinion platforms: what motivates consumers to articulate themselves on the internet? – Journal of interactive marketing, volume 18 -1, 38 – 52.
- Bansal, H.S. & Voyer, P.A. (2000). Word-of-mouth processes within a services purchase decision context. Journal of Service Research, 13(3), 166-177.
- Chang, L., Lee, Y., & Huang, C. (n.d.). The influence of e-word-of-mouth on the consumer's purchase decision: A case of body care products. Retrieved November 2, 2012 from Takming University of Science and Technology, <http://www.jgbm.org/p./2%20Yu-Je%20Lee.pdf>.
- Chatterjee, P. (2001). Online Reviews – Do Consumers Use Them? ACR 2001 Proceedings, eds. M. C. Gilly and J. Myers-Levy, Provo, UT: Association for Consumer Research, 129-134.
- Constant, D., Sproull, L., & Kiesler, S. (1997). The kindness of strangers: On the usefulness of electronic weak ties for technical advice. In S. Kiesler

(Ed.), *Culture of the Internet* (pp. 303–321). Mahwah, NJ: Lawrence Erlbaum Associates.

- Gatignon, H., & Robertson, T. (1986). An exchange theory model of interpersonal communication. *Advances in Consumer Research*, 13, 534–538.
- Granitz, N. A., & Ward, J. C. (1996). Virtual community: A socio-cognitive analysis. In K. P. Corfman & J. G. Lynch, Jr. (Eds.), *Advances in consumer research*, (Vol. 23, pp. 163–166). Provo, UT: Association for Consumer Research. In Schindler & Bickart (2004). *Published Word of Mouth: Referable, Consumer – generated Information on the Internet*. 35-61
- Hennig-Thurau et al. (2004). Electronic Word of Mouth via consumer opinion platforms: what motivates consumers to articulate themselves on the internet? – *Journal of interactive marketing*, volume 18 -1, 38 – 52.
- <http://www.wommapedia.org/> (accessed by 31th October 2013)
- Kotler, P. (1967) *Marketing Management: Analysis, Planning and Control*. Englewood Cliffs, NJ: Prentice-Hall.
- Lawler, E.E., III (1984). The strategic design of reward system. In Fombrun, Ticky & Devanna (Eds), *Strategic Human Resource management* (127-147), New York: Wiley. In Hennig-Thurau et al. (2004). *Electronic Word of Mouth via consumer opinion platforms: what motivates consumers to articulate themselves on the internet? – Journal of interactive marketing*, volume 18 -1, 38 – 52.
- MacLeod, H., 2005, Bernbach was wrong, <http://gapingvoid.com/2005/10/23/bernbach-was-wrong/> (accessed 4/6/2010). In Meiners, Schwarting, Seeberger, 2010. *The renaissance of Word of Mouth Marketing: A new standard in Twenty-First century Marketing Management*. *International Journal of economic Sciences and Applied Research* 3 (2): 79-97
- Meiners, Schwarting, Seeberger, 2010. *The renaissance of Word of Mouth Marketing: A new standard in Twenty-First century Marketing*

Management. *International Journal of economic Sciences and Applied Research* 3 (2): 79-97

- Petrescu, M., & Korgaonkar, P. (2011). Viral advertising: Definitional review and synthesis. *Journal of Internet Commerce*, 10(3), 208-226.
- Riegner C., 2007. Word of Mouth on the Web: The impact of Web 2.0 on Consumer Purchase Decisions, *Journal of Advertising Research*, December 2007, 436-447.
- Roed, J. (2003). Language learner behavior in a virtual environment. *Computer Assisted Language Learning*, 16(2-3), 155-172. In Meiners, Schwarting, Seeberger, 2010. The renaissance of Word of Mouth Marketing: A new standard in Twenty-First century Marketing Management. *International Journal of economic Sciences and Applied Research* 3 (2): 79-97
- Sankatsing, Y., 2007, Implications of media fragmentation for the advertising industry
With special attention to the Philips account strategy of DDB, http://essay.utwente.nl/57933/1/scriptie_Sankatsing.pdf (accessed 4/6/2010). In Meiners, Schwarting, Seeberger, 2010. The renaissance of Word of Mouth Marketing: A new standard in Twenty-First century Marketing Management. *International Journal of economic Sciences and Applied Research* 3 (2): 79-97
- Stauss, B. (2000). Using New Media for Customer Interaction: A Challenge for Relationship Marketing. In T. Hennig-Thurau & U. Hansen (Eds.), *Relationship Marketing* (pp. 233–253). Berlin: Springer.
- Schindler & Bickart (2004). Published Word of Mouth: Referable, Consumer – generated Information on the Internet, pp 35-61.

CHAPTER 4 - Web 2.0: The Social Web



Imagine a world in which every single person on the planet is given free access to the sum of all human knowledge.

Jimmy Wales, founder, Wikipedia

4.1 Definition

Web 2.0 is the second generation in the development of the World Wide Web, conceived as a combination of concepts, trends, and technologies that focus on user collaboration, sharing of user-generated content, and social networking. (Dictionary.com, accessed by 2nd November 2013). The term implies that there was a shift from static HTML's pages towards more interactive landing pages where users can share information and other digital contents. As stated before 2.0 denomination does not indicate a technical update, but rather a way of using it. The word Web 2.0 was coined by Darcy DiNucci in 1999, but it became popular thanks to Tim O'Reilly that used it during his conference held in 2004. Here in below the first definition written by Darcy DiNucci in his article *Fragmented Future* (1999):

“The Web we know now, which loads into a browser window in essentially static screenfuls, is only an embryo of the Web to come. The first glimmerings of Web 2.0 are beginning to appear, and we are just starting to see how that embryo might develop. The Web will be understood not as screenfuls of text and graphics but as a transport mechanism, the ether through which interactivity happens. It will [...] appear on your computer screen, [...] on your TV set [...] your car dashboard [...] your cell phone [...] hand-held game machines [...] maybe even your microwave oven.”

This was a sensational thought if we consider that we were in 1999.

The seven key figures of Web 2.0, which will be analyzed more in details in the following pages, are:

- Folksonomy : Free Classification of Information
- Rich User Experience
- User as a Contributor
- Long Tail
- User Participation
- Basic Trust

- Dispersion

Figure 4.1



<http://www.tecnoteca.com/en/tecnopedia/web-2.0/.com>

Folksonomy: the term is made by the mixture between folk and taxonomy. It is defined as a user-generated system of classifying and organizing online content into different categories by the use of metadata such as electronic tags. (Oxford.dictionaries.com, accessed by 2nd November 2013). While the taxonomy was brittle, accurate (if well-done), hard to add to, centrally controlled and predictable; folksonomy is flexible, less reliable, easy to add to, democratically controlled and organic. Some examples are the social bookmarking's sites: DIGG.com, StumbleUpon.com, and Del.icio.us.com.

Rich user experience: As we mentioned above web 1.0 was made up by static HTML pages, web 2.0 uses Ajax (Asynchronous JavaScript and XML) a

more feasible and adaptable technique. An example is Google Maps where the user can find street's directions and even the estimated time arrival in the current traffic situation.

User as a contributor: users can contribute to enrich the web through creating pages, videos, images, posting opinions and sharing information. Amazon.com allows consumers to rate its products and services.

Long tail: in web 2.0 the niche product is not sold directly but offered as a service on demand basis and the income is generated as monthly fee and paid per consumption. Every app is based on this definition.

User participation: Wikipedia and YouTube are built on this concept; they can survive thanks to users' willing to share something with the world.

Basic trust: everyone can copy and use everything for his own purposes; this means that everyone must be really careful in publishing his private affairs on Internet.

Dispersion: in web 2.0 the content delivery uses multiple channel including file sharing and permalinks. Bit Torrent and mashups are an example of this feature.

4.2 An in-depth focus in some Web 2.0's features

User Generated Content

Due to the diffusion of the participative web people began to make all kinds of voluntary contribution for companies. The digital networks developed different forms of collective intelligence: people built knowledge on the web and now it has become a common heritage (Paccagnella, 2004). UGC is one of the main features of interactive web 2.0 and it consists in creating contents with different forms (written, audio, visual and others combined). Till now there is still no agreed definition of the term. The focus must be on the power that relies in the

hands of users: they can rate, comment and post everything they want, excluding illegal materials.

Digital media technologies, where users contribute, include: question-answer databases, digital video, blogging, podcasting, forums, review-sites, social networking, social media, mobile phone photography and wikis. In addition to these technologies, user-generated content may also employ a combination of open source, free software, and flexible licensing or related agreements. Linux is a computer operating system assembled under the model of free and open source software.

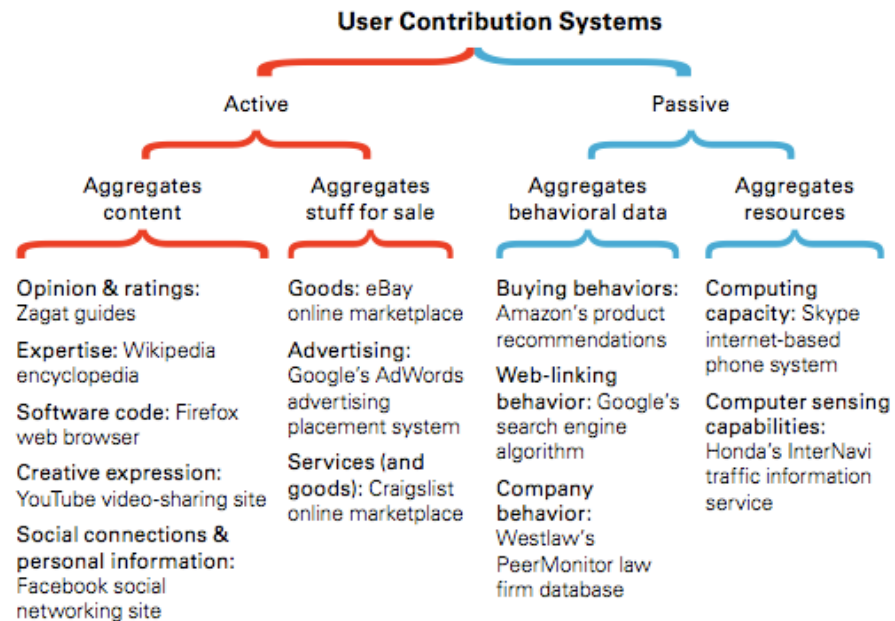
The UGC system has three main characteristics:

- Publication requirement: a user's creation must be public in order to be reached by everyone, every time, everywhere. It cannot be considered a contribution if nobody knows it.
- Creative effort: a certain amount of creative effort needs to be put into creating the work or adapting existing works to construct a new one. The user should add some value to the work; it is not just a matter of recording a TV show and uploading it on the web.
- Creation outside of professional routines and practices: Sometimes it can happen that an UGC is created with commercial purposes, but usually that is not because it is generated with the aim of sharing emotions, feelings and information with the whole world.

(Participative web: user-created content, OECD, 12th April 2007)

In the wake of this spread, companies started to create methods for using people's contributions in their favor. Indeed, a user can be everyone: a customer, an employee, a manager of the company and his participation can be active or passive and even unknowing as the graph here in below shows. (Figure 4.2)

Figure 4.2



(Cook, 2008)

The system creates value both for a company and for a consumer: it leads to a personalization of purchase recommendations, an in depth business relationships, a well-developed connections between buyers and sellers, more possibilities for finding items that are difficult to reach, etc. (Cook, 2008)

Every company mentioned in Figure 4.2 is based on UGC's concept; they can be classified as winning sites because they are becoming more and more popular as the time goes by.

Their success is due to some inherent characteristics of UGC:

- Cost advantage: YouTube pays nothing to exist and to always be updated.
- Scalability advantage: contents can be even more than the traditional offerings. E- Bay as more product than any other shop on the whole Earth.
- Competitive advantage: the more people who contribute to the system, the more useful it becomes. UGC system implies the creation of an upward

spiral in which increasingly more people choose to use and contribute to it.
(Cook, 2008)

Tag, Hashtag and Mashup

A tag or metadata can be simply defined as a term related to an information. It is useful to describe something and allows it to be found again by searching. It can be assigned to images, words, videos, and links. The most basic characteristic that it has is that it is personally chosen by the people who create it. There are many websites that support tagging, for instance: Del.icio.us., Flickr, YouTube, Last.fm, Facebook, etc. As a consequence of the growth of social networks that employ tag system, this method experienced an incredible hike. Tag can be considered as a bottom-up type of classification while the beforehand taxonomic system is top down. The ratio is no longer one-to-one but one-to-many. In 2004 a new type of tagging called Triple tags or machine tag was introduced. Initially it was composed by a name, a predicate and a value and it was used for geographical localization. Nowadays machine tags are used also for other purposes through binomial nomenclature.

A hashtag is a word or phrase preceded by a hash mark (#), used within a message to identify a keyword or topic of interest and facilitate a search for it. (Dictionary.com, accessed by 9th November 2013). Together with tag it is one of the forms that a metadata could assume. Its purpose is to group a set of messages, so that when someone is looking for a specific hash tag the person can find all the messages included in it. The first hash tag appeared on Twitter in 2007, but it became popular during the Iranian Elections protest in 2009-2010. There are a lot of social networks sites that support this way of writing: Pinterest, Instagram, Google+, Tumblr, LinkedIn, FriendFeed, Orkut, Facebook (since 2013) and Twitter which was the founding father of hash tagging system.

A mashup is a web application that uses content from more than one source to create a single new service displayed in a single graphical interface (Fichter, 2006). A simple example of mashup is a Google Maps image that let the reader view the location of a shop on the shop's website. This way of mixing various

sources is made possible thanks to the availability of data and the release of source codes that companies as Google, Amazon.com, Yahoo! offered to others.

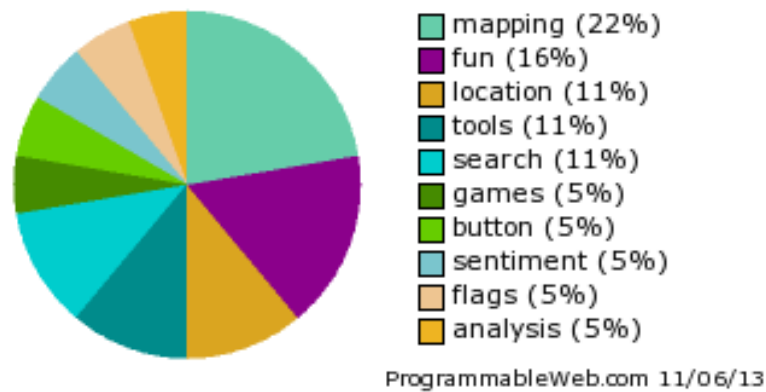


Figure 4.3

The graph depicts the most popular types of mashups. On the top there is mapping that means to associate an address to a Google map's localization for example. At the second place there is creation for fun. BirthdayGram allows people to record an audio message for a friend on his birthday. This mashup application is powered by Twilio, GoogleAppEngine and Facebook. Other examples are: Geomium (Live local, live social), Crime in Denver Colorado (police's collection of crimes in Denver city), etc.

The fundamental component of the mashup ecosystem is the "open" data providers operating in the internet "cloud." (Fichter, 2006). Peenikal (2007) made a classification of them based on their general aims. He divided them into three main categories: consumer mashup, data mashup and business mashup. The first one is the one that we described until now where a user can combine data for its own interest and fun; conversely the second ones are not yet editable by users. They just show something that users cannot interact with, for example: the AIDS' diffusion in the world. Business mashups allow a collaborative action among businesses and developers (Peenikal, 2007). The difference between the first ones and the last ones is that business mashups are more controlled and secure.

4.3 The Social Networks Sites' revolution

Social networking is the process of connecting entities together based on their social bonds or ties (Russell, 2007). That is the basement for social networks sites (SNS) that are web based service built on ties between people. They allow individuals to:

- Construct a public or semi-public profile within a bounded system;
- Articulate a list of other users with whom they share a connection;
- View and traverse their list of connections and those made by others within the system. (Boyd, Ellison, 2007)

Beginning from the 19th century many scholars and sociologists tried to study this phenomenon of social aggregation. Tonnies divided the humanity between *Gemeinschaft* that means community in terms of informal family and neighborhood relations and *Gesellschaft* meaning society in terms of informal and impersonal relations. To be a member of the first one is self-fulfilling whilst to be a member of the second one is a mean to further individual's goals. According to "Hot and Cool Media theory" by McLuhan (1964) cool media, represented by detached media as the television, would have created new clusters of affiliation across the human society.

Social Network Sites represent the proper development of all these theories. They help people maintaining the pre-existing social bonds, but they can also group strangers with shared interest, religion, hobbies, etc.

What makes social networks sites popular? The wish to make visible people's off-line social networks, to show off, and to be curious to get others' affaires. It has been found that people use these sites primarily with the aim of communicating with people that they already know.

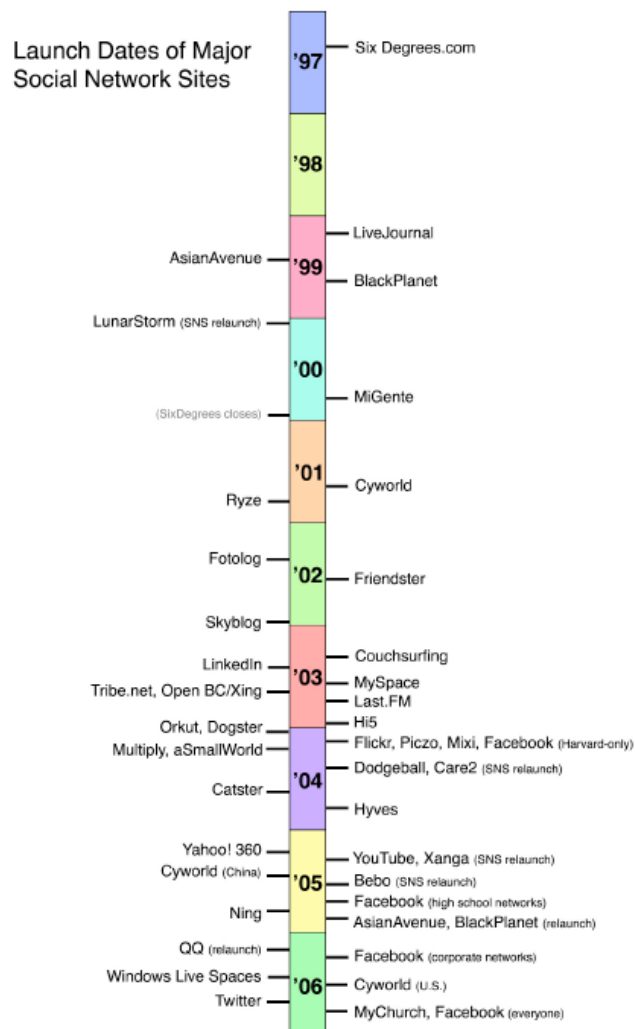
Every website has a similar structure: a personal and public profile in which the owner can post everything that he wants and a list of "friends", which change name depending on the social network settings. Sometimes they give the

possibility to exchange private messages among users, to comment on others' pages, etc.

The issue about privacy is exceeded with a customizable visibility of profiles. It is at your own discretion to show or not private data. Facebook, for instance, allows the "Friends" of a person to see his profile unless the profile's owner denied the permission to see determined objects.

The graph here in below depicts the date of birth of the most popular SNS.

Figure 4.4



(Boyd & Ellison, 2007)

The history of social networking sites began in 1997 with SixDegrees.com that allows people to create a profile, make connections and see others' profiles. It was a failure because only few people joined this network and, as a consequence, early adopters made it obsolete. Many communities were born between 1997 and 2002 but none of these was able to survive. For example, Friendster, launched in 2002, saw a notable rise from the beginning because it was created with the aim of helping friends-of-friends to meet. Due to its huge popularity and its rapid spread the site experienced some technical problems together with a social collapse because people faced strangers and friends in the same way, showing the same profile. From 2003 onward social network sites proliferated going from LinkedIn to Twitter. Certain SNS became popular in determinate places of the world: Orkut popularized in Brazil, Bebo took off in the UK, Australia and New Zealand, Skyrock captured France, etc. Alongside this SNS, a new line was opened starting from a niche community and then conquering a worldwide user base: the classic example is Facebook which was created for Harvard students' community and then it widespread timely fashion.

Whereas most SNS focused on expanding their audience others demanded for a narrower one such as MyChurch which groups Catholics believers.

Many companies started to think at social networks are new opportunity to promote and advertise their products. From one side they became engaged with these sites but to the other they blocked their employees to access as considered sources of inattention and distraction.

The histogram (Figure 4.5) that follows shows the main benefits gained by the companies which have implemented a SNS strategy.

The biggest benefit to advertise on SNS is the increased exposure that your brand can gain. Everything is possible thanks to the growth of users' base and of the time spent on SNS. Furthermore it is a really cost-effective manner to promote products, it is cheaper than long TV commercials and huge billboards and more noticed for sure.

Figure 4.5

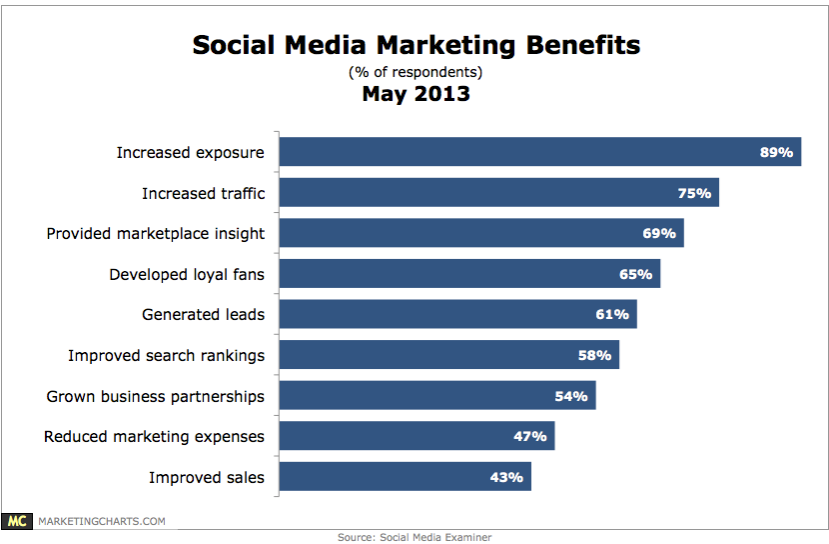
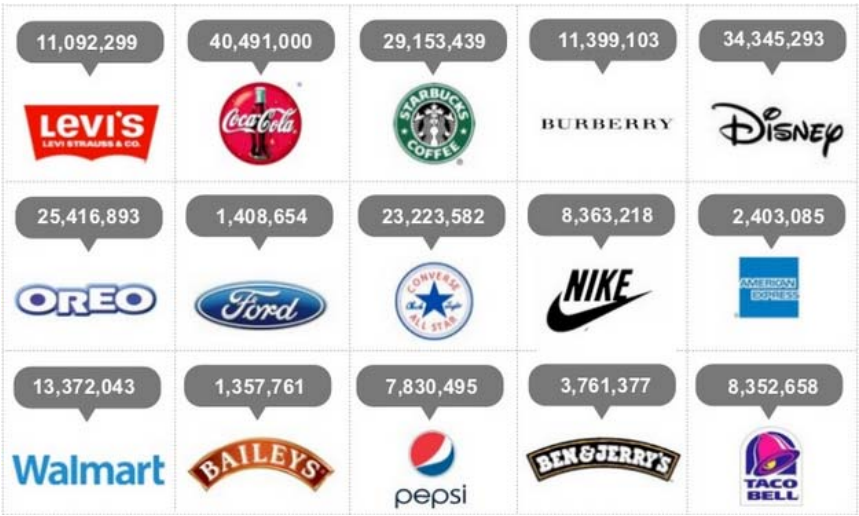


Figure 4.6



(Diner, 2012)

Figure 4.6 shows the billions of “Likes” that these brands have received on the SNS Facebook. Their pages are reaching day by day an incredible level of popularity everywhere.

See Annex 1 for an in-depth analysis of SNS’ key players.

References:

- Boyd & Ellison (2007). Social Network Sites: Definition, History, and Scholarship. *Journal of computer-mediated communication*, vol. 13, issue 1, pp. 210-229.
- Cook (2008). The Contribution revolution, *Harvard Business Review*, October 2008, pp 62-69
- Diner, J. (2012). Facebook Innovation and Social Consumer. Halifax
- DiNucci, Darcy (1999). "Fragmented Future". *Print* 53 (4): 32.
- Encyclopedia of Life use of machine tag, The Encyclopedia of Life project rules including the required use of a taxonomy machine tag, September 19, 2009.
- Fichter, D. (2006). What is a Mashup?, *Internet Librarian* 2006.
- <http://webapprater.com/general/7-key-features-of-web-2-0.html> - Seven Figures of web 2.0 (2010) (retrieved on 2nd November 2013).
- <http://www.dictionary.com/-> Definition of web 2.0 and hashtag (retrieved by 2nd November 2013).
- <http://www.oxford.dictionaries.com/-> Definition of Folksonomy (retrieved by 2nd November 2013).
- Machine tags, a post by Aaron Straup Cope in the Flickr API group, January 24, 2007.
- McLuhan, M. (1964). *Understanding Media*, Routledge, London
- OECD (2007). Participative web: user-created content. <http://www.oecd.org/internet/ieconomy/38393115.pdf>
- Paccagnella (2004), *Sociologia della Comunicazione*. Il Mulino: Bologna
- Parker, Ashley (2011). "Twitter's Secret Handshake". *The New York Times*. Retrieved July 26, 2011.
- Peenikal, S. (2009). *Mashups and the Enterprise*, Whitepaper MPhasis.
- Tag Hierarchies, research notes by Paul Heymann.
- Tonnies, F. (1887). *Gemeinschaft und Gesellschaft*. Wissenschaftliche Buchgesellschaft, Darmstadt 2005.

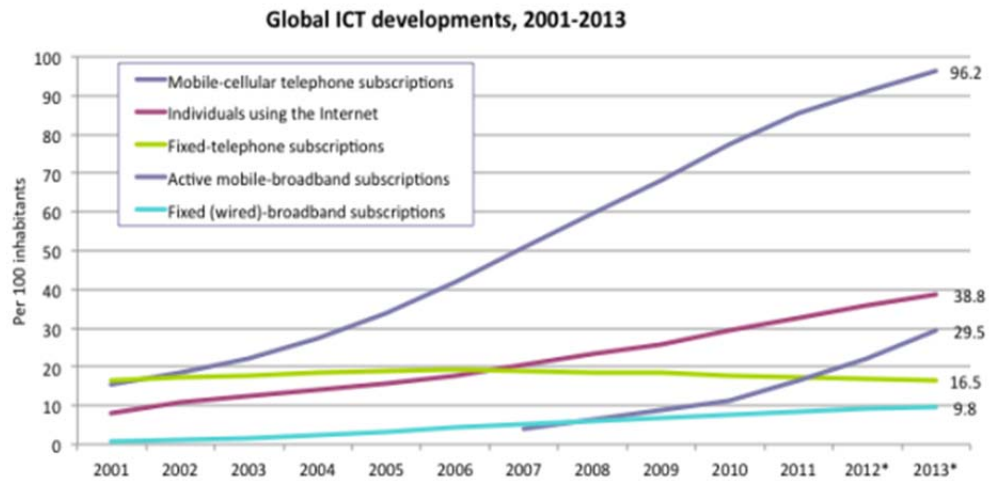
CHAPTER 5- Mobile Marketing



The ones who are crazy enough to think they can change the world, are the ones who do.

Steve Jobs

Figure 5.1



(ITU International Telecommunication Union/ICT indicator database)

Thanks to the developments registered in mobile technologies, mobile marketing has been emerging as a new and potential tool for marketing activities. Barnes and Scornavacca (2004) stated that mobile device will become popular and even overcome television and newspapers as a mainstream advertisements' channel. For better understanding this phenomenon which is spreading more and more we refer to the definition given by MMA in 2008: mobile marketing is a set of practices that enables organizations to communicate and engage with their audience in an interactive and relevant manner through any mobile device or network. Given the obsolescence related to this channel that is developing day by day we would like to introduce a more recent term's definition.

According to Kaplan (2012) mobile marketing is any marketing activity conducted through a ubiquitous network to which consumers are constantly connected using a personal mobile device. The key features of mobile marketing, found in this sentence, are: the network's ubiquity which is accessible by everyone through different ways of connecting (wireless, 3G, etc.) and let the users to receive information and perform transactions wherever they are and whenever they want (Clarke, 2001), a constant connection that is easy to have with a pay-as-you-go plan; and a personal and mobile device, a mobile device is something that everyone

can bring with him everywhere such as a tablet computers or a smartphone, for making sense this device should be personal, where personal means shared with nobody else. Cell-phones, tablets and notebooks increase the availability, the frequency and the speed of communication.

It has been acknowledged that through the use of these mobile devices marketers can provide customers with time and location sensitive, personalized information that promotes goods, services and ideas. (Dickinger et al., 2004)

Beginning from the two thousand's years, when mobile marketing was born, different channels were developed with the aim of gaining more customers' attention.

5.1 SMS & MMS marketing

Born in 1992 with a text message wishing "Merry Christmas" sent by Neil Papworth of the Sema Group to Richard Jarvis of Vodafone, Short Message Service was the first medium used to reach customers in a mobile way. One of the main advantages that it has is that everyone, also without owning a smartphone, can read it. Nowadays, according to a study conducted by Comscore.com the number of smartphone's users accessing mobile content is growing compared to normal phones' users. Despite that SMS marketing is still having a huge popularity all around the world. Experian marketing Service's Simmons released its study in March 2013: for 86% of young people (18-24) texting is still the most common mobile activity, this percentage decreases to 59% for adults (25-more).

Many companies use this tool in order to reach their customers with promotions, coupons, offers or just for reminding them their presence on the market. SMS has the advantage of being instantly read by the recipient and, in many cases, immediately responded to.

In 2006, Mc Donald's launched its "Merry Xmas in the restaurant" SMS campaign. Unique codes were printed on customer's cups encouraging them to send in with a text message, the revolutionary idea was obvious even from the campaign's slogan: "Just send a SMS to Santa & get your gift within seconds" –

every code wins. The response result was incredible with more than 1.5 million participants within 5 weeks, one of the best SMS marketing campaign ever. (Mobile Marketing Association, 2006).

MMS (Multimedia Messaging Service) allows people to exchange photos, audio and video clips in addition to texts. It can be considered an extension to SMS protocol system, if Short Messaging Service allows users to send text message with a maximum of 160 characters the MMS let people sending an unlimited amount of words and other multimedia contents. Using MMS campaigns instead of SMS gives more possibilities to be noticed but it is more expensive too.

5.2 QR Codes

The QR (Quick Response) codes were firstly introduced in 1994 by Denso ADC, a Toyota subsidiary company, with the purpose of tracking components in vehicles manufacturing. They have been used to allow high speed scanning by different industries as warehousing, manufacturing, logistics, etc. Nowadays with the growth of mobile technologies QR code is also being used in mobile marketing and advertising campaigns as a fast and effective way of connecting with customers and providing end user content, including Web links, mobile coupons, airline boarding passes, etc. (Denso ADC, 2011)

Denso ADC defines QR code as a two-dimensional matrix code that belongs to a larger set of machine-readable codes, all of which are often referred to as barcodes, regardless of whether they are made up of bars, squares or other-shaped elements.

People can find QR codes everywhere: on billboards, on TV, on newspaper, on products' packages. By scanning this code with a smartphone, which has a QR code reader installed on it, they can be redirected immediately to the company's website; indeed it provides quick and effortless access to the brand's website.

QR code offers a bridge between the physical world and the online world, as they can be considered as paper-based hyperlink. They allow marketers to add much more information and interactivity than the one that can be afforded on the printed page. Using QR codes campaign gives some advantages: it provides user convenience as he has only to scan it for having more information; it is

environmentally friendly as it helps reducing printed materials given its little dimensions; it is cost-effective as it is free to produce; it is flexible and versatile as it can contains every materials that a marketer wants; it is device independent as it can be read by every mobile operating system (iOS, Android, BlackBerry, etc.); it is easy to measure through analytics; it can be a useful tool to differentiate from competitors.

Nevertheless many scholars agree that the QR code marketing is about to dead because there are problems as redirecting users to sketchy mobile optimized sites or it is located in place with no Wi-Fi or connectivity (airplanes, subway stations, etc.), some interesting case studies still exist.

During a music video festival in Poland Heineken offered to each participant a QR code to stick on your clothes with some personal information about who was wearing it. The announced purpose of the campaign was to facilitate meeting new people, but Heineken with this clever trick turns festival goers in amazing walking billboards.

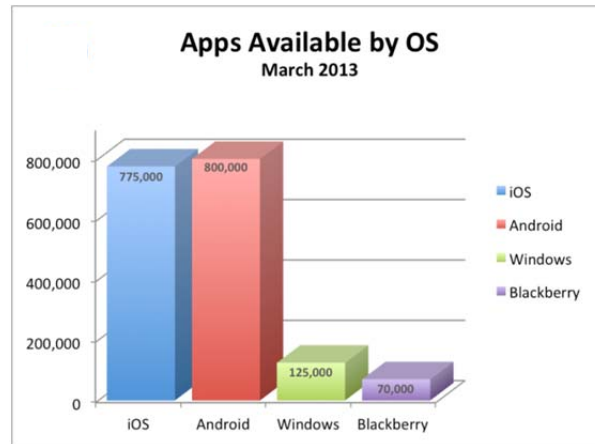
5.3 App-based promotions

An app is a software application program designed for a particular purpose on a computer or mobile phone operating system (Macmillan Dictionary, 2011). In particular, mobile apps are specifically tailored to run on smartphones, tablets and other mobile devices. The majority of them are free while others are available by paying cheap amounts of money. A user can download them on its own smartphone by accessing the distributor platforms, which is the owner of the mobile operating system. Some examples are: App store for iOS, Google Play, Amazon App store, Windows Phone store, etc.

ABI research (2013) estimates that 56 billion of smartphones apps will be downloaded in 2013 all around the world, while tablet apps' download will be approximately around 14 billion. It's hard to figure how many apps exist because every platform contains both the same and different apps, but according to a study

conducted by Pure Oxygen (2013) the approximate figures are showing here in below.

Figure 5.2



Given the wide popularity that apps are experiencing, it's not surprising that many companies started to think about using them as a mobile advertising channel. Companies can either create their own app or pay for promotional banners on others' app. Analytics show that is preferable to create apps downloadable for free as they have the possibility to be seen by everyone and related to social networks. According to Distimo (August 2013) the most downloaded app are: Facebook, WhatsApp Messenger, Candy Crush Saga, Line: Free Call and Messages, Facebook Messenger. Candy Crush saga is considered the app of the year 2013 and probably the best app to host an advertising banner. Conversely other application's developers have openly declared that they will never put an ad on their software as Brian and Jan (2012) stated when they launched WhatsApp Messenger: "When we sat down to start our own thing together three years ago we wanted to make something that wasn't just another ad clearinghouse. (...) We knew we could do what most people aim to do every day: avoid ads.

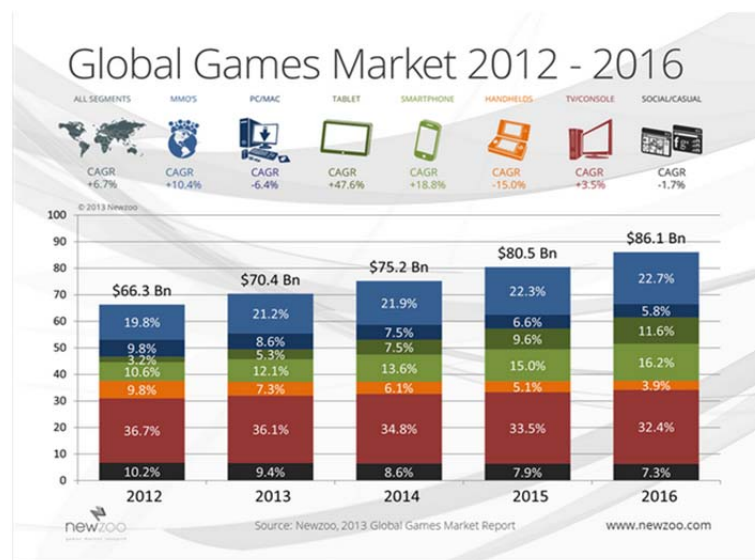
An example of a mobile app created by a company is McDonald's app "designed to help you find your nearest restaurant, get official nutrition info, check for employment opportunities and get the latest on our promotions." (Google Play US, 21th February 2013).

5.4 In – game advertising

For introducing the concept we need to make a distinction between two notions that are often misleading: in-game advertising and advergame. In –game advertising is a product placement’s form of advertising, which involves inserting ads within video games. (Pastore & Vernuccio, 2008). On the other hand advergame is an online game specifically created by a company in order to promote their products or services. The difference between the two terms is found in the fact that while for the first one a company has to pay only for inserting its ad on another’s game, for the second one the company has to pay for the game’s creation and development.

Due to the growing adoption of games by the population, in-game advertising and advergame are thriving. According to a survey conducted by Newzoo’s 2013 Global Games Market Report the global video games market will surpass \$75 billion by the end on 2014. The interesting fact is that the downloads of video games will grow by 47,6% for tablets and by 18,8% for smartphones, good prediction for both the sectors.

Figure 5.3



Some advantages that this form of advertising has are: the high accountability and measurability that the system offers, it can be highly targeted as it's easy to know the game's audience, it is often accepted by gamers if it does not interrupt their game, gamers can interact with the ads and if the brands associate themselves with an innovative technology they can only be seen in a better light. The biggest disadvantage is that it is prone to the same noise as regular advertising's ways and marketers should also ask themselves: "Is the gamer really paying attention?". An answer came out from a research by Nielsen (2010). Experts examined how Gatorade increased its sales after it had been promoted on the games NBA Live 09 and NBA Street Homecourt by EA Sports. The campaign's outcomes exceed 24 percent. (Nielsen Company, 2010)

Three major types of in-game advertising can be distinguished: static, dynamic or static/dynamic hybrid. Static advertisings are represented in virtual billboards or products placed in the game, they are unchangeable and sometimes players can interact with them like in Half Life 2 (12 million copies sold) by Valve gamers can take and throw a X-box console. Then dynamic advertising is now possible thanks to the recent developments of technologies, it offers the opportunity to change ads remotely adapting them in accordance with the context, the geographical location and the time. Dynamic advertising also allows companies to track and receive information from a player's console about the advertisement. Static/dynamic hybrids are hard coded interactive features supported by dynamic elements.

5.5 Can LogosQuiz be helpful in market research?

LogosQuiz is a game full of fun that consists on guessing the names of hundreds of logos from different companies. (iTunes, 2013) The app was developed in 2011 by Javier Perez Estarriaga, a man without any experience about marketing research. Certainly the game represents a disruptive innovation. Marketers can collect benchmark feedback about the world population on how strong their brand identity is as people are able to identify it from logos and graphical features without seeing any names.

References:

- Barnes, S.J. & Scornavacca, E. (2004). Mobile marketing: the role of permission and acceptance. *International Journal of Mobile Communication*, 2 (2), 128-139.
- Clarke, I. (2001). Emerging value propositions for m-commerce *Journal of Business Strategies*, 18 (2), 133-148.
- Dickinger A, Haghirian P, Murphy J & Scharl A (2004) An Investigation and Conceptual Model of SMS Marketing. *Proc 37th Annual Hawaii International Conference on System Sciences*, Hawaii, USA: 31–40. In Leppaniemi M. (2008), *Mobile marketing communications in consumer markets*, Oulu University.
- Kaplan A. (2012). If you love something, let it go mobile: Mobile marketing and mobile social media 4x4, *Business Horizons* 55, pp. 129-139.
- <https://www.abiresearch.com/press/android-will-account-for-58-of-smartphone-app-down> (retrieved by 27th December 2013)
- <https://whatsapp-blog.com/> (retrieved by 27th December 2013)
- <http://www.distimo.com/publications> (retrieved by 27th December 2013)
- http://www.ehow.com/about_6562774_definition-sms-marketing.html (retrieved by 21th December 2013)
- <http://www.hswsolutions.com/services/mobile-web-development/qr-code-marketing/> (retrieved by 27th December 2013)
- <https://itunes.apple.com/us/app/logos-quiz-game/id478364212?mt=8> (retrieved by 28th December 2013)
- <http://www.mmaglobal.com/studies/merry-xmas-restaurant-12snap> (retrieved by 21th December 2013)
- <http://www.pureoxygenmobile.com/how-many-apps-in-each-app-store/> (retrieved by 28th December 2013)

- <http://www.simplyzesty.com/Blog/Article/January-2012/Heineken-Turn-People-Into-QR-Codes-With-Brilliant-Marketing-Campaign> (retrieved by 27th December 2013)
- <http://www.slideshare.net/bawnslipp/review-of-in-game-advertising> (retrieved by 28th December 2013)
- <http://www.theesa.com/games-improving-what-matters/advertising.asp> (retrieved by 28th December 2013)
- Leppaniemi M. (2008), Mobile marketing communications in consumer markets, Oulu University.
- Pastore, Vernuccio, (2008). *Impresa e comunicazione. Principi e strumenti per il management*, Apogeo Editore.

CHAPTER 6 - Case Study : Juventus F.C.



Vincere non è importante, è l'unica cosa che conta.

Winning is not important, it is the only thing that matters.

Giampiero Boniperti, honorary President of Juventus F.C.

6.1 History of the company

The story of Juventus Football Club began in 1897 on a bench of Corso Re Umberto. A group of friends interested in this new game decided to found a sport society. The newborn football team was called Juventus, a Latin word that means “youth”, indeed nobody of them reached seventeen years old. Due to the low availability of money the first team’s jersey was made of pink percale and a black bow tie. The best known white and black striped jersey was introduced in 1903 by John Savage, an English Juventus supporter, which donated to the team the second jersey of the Notts County Football Team. In 1905 Juventus won its first national prize, the “scudetto”. After many lucky years, the First World War broke out and every player was called to fight for his homeland. In order to maintain the contacts the newspaper “Hurrà Juventus” was created. This newspaper still exists with the name “HJ Magazine”. Gone the hard years of the wars the team experienced the same golden ages of the economic boom with many victories, obtained thanks to the famous trio Boniperti, Charles and Sivori. During the Seventies and the Eighties the first European victories came out together with some famous players: Cabrini, Scirea, Tardelli and Platini. The president of the company was Giampiero Boniperti while the team manager was Giovanni Trapattoni. Nevertheless the first Juventus supporter was the former President Giovanni Agnelli, bonded to the team since his naissance, with his enthusiastic cheer. After some years of standstill, in 1995 the turning point came out with the team manager Marcello Lippi and the players: Pessotto, Ferrara, Deschamps, Conte, Del Piero, Zidane and Montero. In 2006 the “calciopoli” scandal broke out, the team was forced to retreat to the lower league and the company remained without a CEO, indeed Luciano Moggi was taken to trial. On the 19th May 2010 Andrea Agnelli became president of the club and began to write a new chapter in the Juventus history books. The actual CEO of the company is Giuseppe Marotta while the team manager is Antonio Conte, a former Juventus player. The new asset is given an incredible boost to the whole team that increasingly started to win.

6.2 Online presence and website

Due to the development of new technologies and for keeping pace with other European clubs Juventus decided to implement a digital strategy. The online tickets' sale, which offers a good alternative for skipping queues and for closing payments quickly, was one of the first tools proposed by the society to its fans. An evolution of the system was introduced last October: the online tickets were directly sent to buyers via e-mail (e-ticket) while before an ordinary paper ticket was sent.

In order to sell tickets Juventus created a company website that became more and more detailed with the passage of the time. Nowadays Juventus' website offers a complete overview on every topic about the team and the company. It is available in different languages: Italian and English with some pages of disambiguation in Chinese, Japanese and Indonesian. On the top of the home page there are some leaderboards and rectangles, as described in 2.4 Chapter, of Juventus' sponsors such as: Nike, Jeep, Samsung, Trussardi, Hublot, etc. Scrolling the home page there is an interactive slideshow with interesting news about the company and players. Then we found a section entitled "On the Pitch" that reports everything is happening on the pitch and everything concerns the match scheduled for the following weeks. After a video & gallery section at the end of the home page there are some activities reserved to Juventus Members. They consists in surveys, changed on a weekly base, that ask for members' opinion about matches or players actions and a blog where they can post opinions and interact with the company.

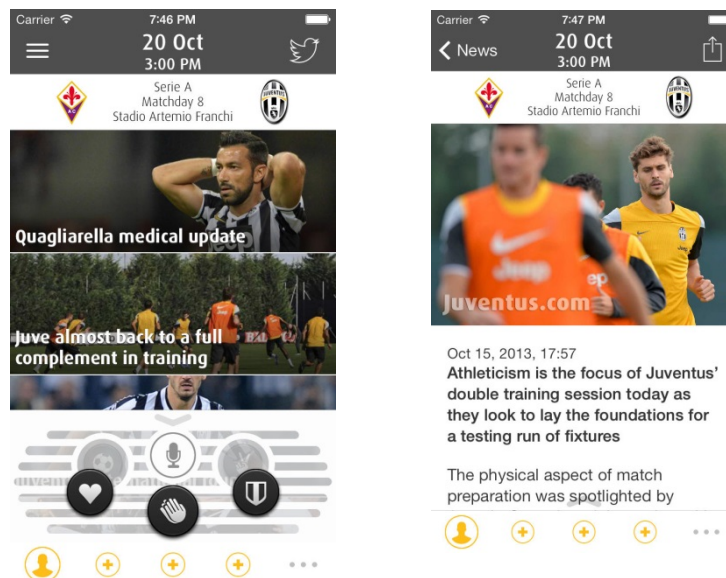
There are many landing pages with several drop-down menu: news & gallery, video and on the pitch are focused on team's activities; stadium & museum explains everything about these two buildings; Juve for You is a site's section created especially for fans; finally Club and Investor relations where corporate information, corporate governance and financial reports are presented. These last

menus are required by laws as Juventus Football Club is a company listed on Milan's stock exchange.

On every page there are calls to action of the most used Italian social networks: YouTube, Facebook, Twitter, Google+ and Instagram. On each of them Juventus has its own page.

6.3 Apps and Advergames

As explained in Chapter 5 mobile marketing is growing trend. As response Juventus developed its own app: "Juventus Live" available for free for both Apple and Android operating systems. Juventus Live allows up to 4 friends to talk while watching a Juve game on TV. The experience is enriched with real time statistics and information about the game, and news during the entire week. Juventus Live is the perfect, complimentary companion to your TV. (iTunes, 2013) The app lets fans to chat in group, to make pictures and share them on the social networks, to invite new friends and to record audio messages.



(iTunes, 2013)

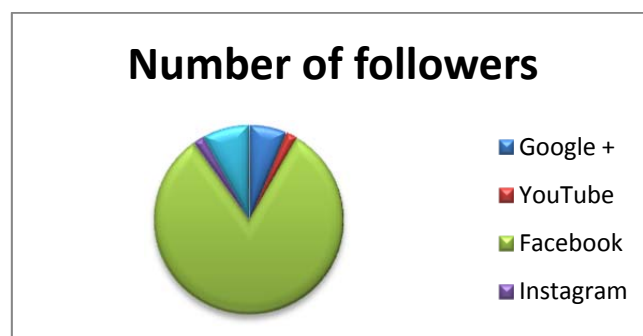
Together with the official Juventus app some advergames have been developed. Juventus Fantasy Manager 2014 by From the Bench allows users to hire

the best players in auction to get them fit, to play the most important Leagues of the world and to challenge thousands of users from any corner of the world. (iTunes, 2014) In GoalUnited the player have to deal with everything really happens in a football company: he/she is responsible for finances, team, staff, stadium complex, etc. In Be a Legend: Juventus players have to possibility to start up their career in the Juventus youth sector, improve their skills playing with Pirlo, Tevez and Buffon and other Juventus players, prove their worth at each challenge, give their best to get international titles and soon they will become the new idol of Juventus fans. (iTunes, 2013). Score! and Football Kicks: Title Race are other two examples of mobile games using Juventus logo and players.

6.4 Social Network Sites

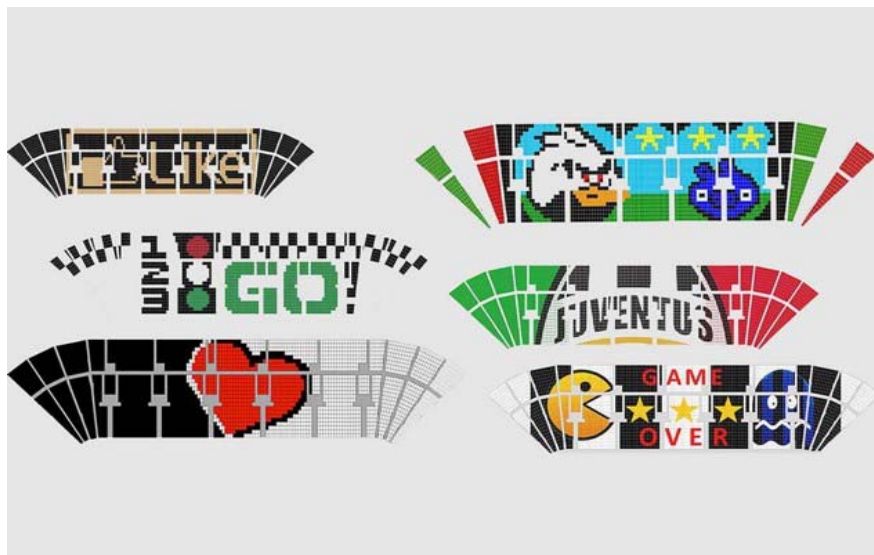
Juventus F.C. created its own YouTube channel where new contents and videos are continuously loaded. The channel counts 251.994 subscribers and more than 61 bn views. Together with YouTube Juventus is active on other social network sites too. On Google+ the company counts 830.591 followers and it is in the circles of 642.697 men and women. On Twitter Juventus has 1.100.000 followers and 13.600 posts to his name. On Facebook its page has 10.590.510 likes, the people who deal with its page are mostly from Rome and aged between 18 and 24 years (Facebook, 2014). Finally on Instagram the team has 260.613 followers. All data are updated to February, 28th. Figure 6.2 depicts the popularity of Juventus through social network sites.

Figure 6.2



The choice of these social networks is due to different reasons. Certainly Facebook is the most popular platform in Italy, while Twitter has a huge international audience and favors a simple and immediate transmission of messages. Instagram is a rising star in this world, it is collecting more and more followers day by day. The function of Google+ is not really clear at the moment, but everyone has a Google mailbox has Google+ too and then rarely Google is wrong. Finally YouTube is the only social network that lets revenue share through views and product placements.

An interesting example of CRM (Customer Relationship Management) is the creation of #LoveJu hashtag that lets supporters sending their motivational messages for the team via Twitter, messages which were then shown on the Juventus Stadium big screens to get the Bianconeri fired up for the Derby d'Italia (Juventus vs Internazionale). More than 13,500 tweets arrived in total from all four corners of the globe (Juventus official website, 3rd February 2014). But the breathtaking figure is another one. The #LoveJu initiative has promoted the creation of the world's first social choreography. This was the first choreography conceived and voted for entirely via the medium of a social network. It worked as it follows: many choreography were proposed on the dedicated Facebook app and then the one which received more likes became real during the match at Juventus stadium. The winner was Steven Kem. His creation was chosen from the total of 3122 sent in via the dedicated Facebook app, which garnered 4,500 registered users, was viewed 290,000 times and inspired as many as 18,118 people to vote for their favourite design.





(Juventus official website, 3rd February 2014)

6.5 Interview with Dr. Federico Palomba

Dr. Federico Palomba after a long career at Google became in 2010 the Head of Digital Media at Juventus F.C.

Before 2011 nobody at Juventus F.C. thought about creating a detailed and interactive website, said Dr. Palomba. The idea of implementing an online marketing strategy came down directly from the president himself Dr. Andrea Agnelli. He, together with the whole staff, started to notice that the other European football clubs were much more active online and offered to their fans many digital tools for interacting with them and between themselves. Conversely, in Italy there were many discussion forums, managed by supporters, that acted entirely uncontrolled causing a lot of damages. A form of control over them became necessary and the company started to think about creating an internal editorial staff or trusting in an external agency specialized in digital marketing and online public relations. Certainly an agency would have offered more expertise and quality, but an internal staff would have been safer. The choice was made and an internal newsroom was created due to some sensitive data that they did not want to

disclose. At the present the editorial staff is made up of some web experts, a social network expert and four editors, two Italians and two Britons that care about the International profile of Juventus F.C. Dr. Palomba continued with saying that, conversely other societies do, the English version is not just a verbatim translation of the Italian site, but rather another websites with more or less the same information enriched by details that usually an international audience doesn't know about Italian football.

After the crisis of "Calciopoli" and many defeats that Juventus had to borne on European level, the general opinion about the company started to get worst and the international consensus decreased. According to Dr. Palomba and his staff a digital campaign could be a strategic lever for the internationalization of the team. Indeed many studies confirm that usually people have a favourite domestic team and sympathize for another European one. Juventus F.C. has as strategic goal to become the favourite second team in the mind of strangers. Thanks to the presence of the company on social networks it is easy to measure and categorize its audience. The responsible of digital media, indeed, discovered that 70% of social networks' audience is international with a great majority of Indonesian people. For this reason it was created an official website in Indonesian language. Another significant part of audience comes from the Spanish-speaking countries, it will be soon created an official Spanish blog tailored specifically for them.

Dr. Palomba stated that the digital newsroom stands on two pillars: the commercial department and the communication. It is easy to understand why digital media are connected to communication and external relation department. Whereas the connection between digital media and commercial area is not yet detectable. Always more sponsors sign contracts where a clause establishes their presence on Juventus digital tools. For creating a successful sponsors' campaign Juventus must find the right mix between an entertaining purpose and a commercial one. The digital media director mentioned one successful and one unsuccessful campaign that they implemented recently. The successful one is the Balocco campaign: it consists in doing hangouts with Mr. Giorgio Chiellini while he is having his breakfast with Balocco's biscuits. The "Colazione con il

campione”, as it is named, aims at doing a video call between supporters and the player while displaying sponsor’s products. The unsuccessful campaign is the one created for GoodYear “Indovina chi guida”. The audience has to guess who is the player interviewed and who find it can win a coupon for GoodYear tires. Data says that the second campaign is a flop.



Together with some advantages presented here above there are also some disadvantages of being online, stated Dr. Palomba. Some news must be silent, for instance Juventus’ website cannot speak about transfers before the information is widely disclosed by the press. Contrariwise it can release the first interview of Pablo Osvaldo, the latest player bought by the society. The online presence must be balanced: every player has to have its space, the internal newsroom must write about everyone. Indeed they have to maintain a language with a quite high style: swear words, abbreviations and insults to others are banished. Dr. Palomba continued with saying that usually a video preview about the next match was always posted on the website till the last season (2012-2013), because the last one about Juventus vs Fiorentina sparked an uproar that came up to the presidents of both clubs (Andrea Agnelli and Andrea Della Valle) . The video opened with the usual speaker saying the following words: “La Fiorentina arriva dalla vittoria con il Parma, sono in forma e, è inutile dirlo, con noi sono sempre motivati. I viola hanno iniziato il campionato in paradiso, si trovano in zona purgatorio a 13 punti da noi. Per loro sabato lo Juventus Stadium sarà un inferno. Lasciate ogni speranza voi che

entrate”. (Corriere della Sera.it, 8th February 2013) The famous words from the Italian Divine Comedy by Dante Alighieri (Florence, 1265-1321) were misunderstood by Fiorentina that declared to the press to feel insulted by these words that appeared on the official website. Every preview and every comment was deleted and a public apology was made. This represents a clear example of how a simple comment can create a bad affair and how every word must be pondered and well thought out before publishing it.

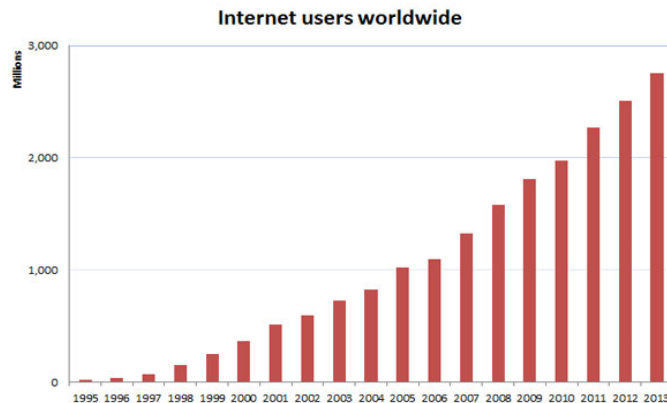
Dr. Palomba concluded stating: “Every football club is becoming a medium itself”.

References:

- Juventus History. Juventus Official Website - <http://www.juventus.com/juve/en/club/Juventus+in+breve/01-La+storia+di+una+leggenda> – retrieved on 15th January 2014.
- Juventus Museum – Corso Gaetano Scirea 50, Turin.
- Juventus Live app -<https://itunes.apple.com/it/genre/ios/id36?mt=8> – retrieved on 29th January 2014.
- <http://instagram.com/juventus> - retrieved on 3rd February 2014
- <https://plus.google.com/u/0/+Juventus> - retrieved on 3rd February 2014
- <https://twitter.com/juventusfc> - retrieved on 3rd February 2014
- http://www.corriere.it/sport/13_febbraio_08/juventus-fiorentina-preview-inferno-crucchi_8e161a48-7234-11e2-8d40-790077d2d105.shtml
- <https://www.facebook.com/pages/Juventus/528713460508794?id=528713460508794&sk=likes> - retrieved on 3rd February 2014
- <http://www.youtube.com/user/juventus/about> - retrieved on 3rd February 2014
- Perucca, Romeo, Colombero (1986). Storia della Juventus. La casa dello Sport, Firenze.

Conclusion

Figure 1



(Ellis-Chadwick F., 14th October 2013)

As described in this thesis, there are many channels for implementing different digital marketing campaigns. Strengths and weaknesses have been listed for each of them, but it is understood that they must be tailored and adapted in order to be in line with the offline campaign pursued by the company. In addition every organization should not focus on just one of these channels, rather it has to mix together two, three or many of them. It is advisable to have a company or brand profile on several social networks in order to be easily found and to be on the top of SEO classification. Furthermore each digital strategy must be specially designed for the enterprise. For instance a multinational can afford a diversified online strategy thanks to its availability of finances and its mass global audience: it can implement an e-mail or sms campaign together with a huge presence on the best known social networks and a well-defined SEM strategy. Rather for SME it is advisable to categorize its consumer behaviors and focus on channels that will reach the audience that they are intended for.

This study was conducted with the aim of describing and simplifying many digital marketing tools that are still unknown or less-known by Italian industries. Indeed, abroad digital marketing is an integral part of every promotional campaign and corporate strategy by now. The Italian knowledge about the topic is at the

dawn and companies must be sensitized in order to keep pace with their international competitors. In addition trends show that Internet users base is growing day by day (Figure 1) and it results necessary for every organization that intends to survive to be online present and to pay attention to every development of this sector. Less studies have been translate into Italian and the availability of Italian books about digital marketing is low, for this reason I wrote my thesis in English language, but on the other hand I think that something must be write down in our language for let the companies learn about this new way of communicating that will be our future: the future of marketing.

There are many possible areas of study that can be developed starting from this dissertation because several topics are still evolving and there is thousands of different paths that still must be covered. The thesis has an aim of opening everyone's eyes on a current topic related to new communication's ways and new people's behaviors. Here in below some suggestions for future researches are given:

- The Permission marketing. It is a good or bad strategy? Was Seth Godin right or is it just a way of losing profits? Until now less companies implemented this type of promotion. Should it be revisited under a more modern look?
- The consumer behavior. How it is changing? Its role is increasing more and more of importance. Should it be directly involved in the production process as Juventus F.C. did for the creation of the first's social choreography?
- Is mobile marketing the future or should the companies continue to invest in computer-based marketing? Indeed the rate of users's accessing the web via their mobile devices is growing. Will it surpass the desktop computers' rate?
- Which will be the features of the semantic web and how it will develop?

"People can have the Model T in any color – so long as it's black."

(Henry Ford, 1909)

Annex 1 – In-depth Social Network Sites analysis

The Facebook logo, consisting of the word "facebook" in white lowercase letters on a dark blue rectangular background.

Creator	Mark Zuckerberg
Date	February 2004
Users' base	119 bn
Alexa rank*	2
Advantages	It is an open platform, simple to use. Users can add multimedia contents such as images, videos, games, tools for sharing link, pictures and comments. It is a good tool for maintaining long-distance friendships.
Disadvantages	The user interface is stiff, little customizable. Hard to find other users with the search engine if you do not know the correct name.

The Twitter logo, featuring the word "twitter" in white lowercase letters and a white bird icon, all on a light blue rectangular background.

Creator	Jack Dorsey
Date	15th July 2006
Users' base	500 bn
Alexa rank*	10
Advantages	It takes less than one minutes to create an account and start tweeting, it is really simple because you can write 140 words maximum, you can follow everyone you are interested in and everyone can follow you, you can choose a pseudonym and not log in with your real name.
Disadvantages	The profile is weak, you can just put your photo and only a little information about you, everyone can follow you so there is not a real concern for privacy, if you follow people with a pseudonym you cannot have idea about their real identity.



Creator	Burbn, Inc.
Date	6th October 2010
Users' base	150 bn
Alexa rank*	39
Advantages	It gives the possibility to share and edit pictures, through its tag system is really easy to find pictures' domain. It offers many good effects for editing pictures.
Disadvantages	Constriction to post square size photos, the user's profile has not importance.



Creator	Tencent Holdings
Date	2005
Users' base	623.3 bn
Alexa rank*	6,91
Advantages	Large scale diffusion in China where many platforms are banned by the Government.
Disadvantages	Localization to the Asian continent, available only in Chinese language.



Creators	Reid Hoffman, Allen Blue, Konstantin Guericke, Eric Ly, Jean-Luc Vaillant.
Date	5th may 2003
Users' base	259 bn
Alexa rank*	8
Advantages	Specialized in business contacts, warranty on the true identity of members, great seriousness general.
Disadvantages	Many spams about everything: who looked at your profile, which are the news, who can know, etc. It is difficult to remove your profile, once you want to go away.



Creators	Paul Sciarra, Evan Sharp, and Ben Silbermann.
Date	March 2010
Users' base	70bn
Alexa rank*	26
Advantages	You can "pin" your interests and find other people with your same hobbies.
Disadvantages	Difficult to use, the meaning is not that clear the first time that you access to it, no internal chat or way to communicate directly with others.

* Alexa is a subsidiary company of Amazon.com that collects and analyzes web traffic. It provides a ranking system that tracks more than 30 million websites.

References:

- <http://www.alexacompany.com> (retrieved on 11th January 2014)
- <https://www.facebook.com/>
- <http://www.instagram.com/>
- <http://www.linkedin.com/>
- <http://www.pinterest.com/>
- <http://www.psicologiaunito.org/psicoclinica/images/stories/tesine/social/tesinapdf.pdf> (retrieved on 11th January 2014)
- <http://qzone.qq.com/>
- <https://twitter.com/>

Bibliography

Books:

- Chaffey, Chadwick, Mayer, Johnston (2009). Internet marketing – Strategy, Implementation and Practice. Prentice Hall, Financial times.
- Godin, S. (1999) Permission Marketing – Turning Strangers into friends and friends into customers. Simon & Schusters. New York.
- T. Hennig-Thurau & U. Hansen (Eds.), Relationship Marketing: Gaining Competitive Advantage Through Customer Satisfaction and Customer Retention Berlin: Springer.
- McLuhan, M. (1964). Understanding Media, Routledge, London
- Moss D. & DeSanto B. (2011). Public relations: a managerial perspective. Sage publishing.
- Paccagnella L. (2004), Sociologia della Comunicazione. Il Mulino: Bologna
- Pastore, Vernuccio M. (2008). Impresa e comunicazione. Principi e strumenti per il management, Apogeo Editore.
- Pellicelli G. (2009). Il Marketing. Utet Professionale, Torino.
- Perucca, Romeo, Colombero (1986). Storia della Juventus. La casa dello Sport, Firenze.

Journals:

- Electronic Commerce Research and Applications
- E-marketing News
- Harvard Business Review
- International Journal of Economic Sciences and Applied Research
- International Journal of Mobile Communication
- Journal of Advertising Research
- Journal of Business Strategies
- Journal of Computer-mediated Communication

- Journal of Service Research
- Journal of Strategic Marketing
- MIS Quarterly
- Qualitative marketing research: An international journal
- The Guardian
- The New York Times

Lectures:

- Brix R. – Marketing & Communication – SAA: School of Management.
- Greener A. – PR Principles and Practices – University of Brighton.
- Miller J. – Search Engine Optimisation – Propellernet Company.
- Plummer A. (Head of e-commerce at The Body Shop) – Digital Retailing.
- Rospigliosi A. – Digital Marketing – University of Brighton.
- Rospigliosi A. – E-commerce – University of Brighton.

Sites:

- <http://www.juventus.com/juve/en/club/Juventus+in+breve/01-La+storia+di+una+leggenda>
- <http://www.alexa.com/company>
- <http://csrc.nist.gov/publications/nistpubs/800-145/SP800-145.pdf>
- <http://www.smartinsights.com>
- <http://www.iab.net/>
- http://sethgodin.typepad.com/seths_blog/2008/01/permission-mark.html
- <http://www.womma.org/>
- <http://www.oecd.org/internet/ieconomy/38393115.pdf>
- <http://www.mmaglobal.com>
- <http://www.distimo.com/publications>
- <https://itunes.apple.com/it/app>

University Publications:

- Chang, L., Lee, Y., & Huang, C. (n.d.). The influence of e-word-of-mouth on the consumer's purchase decision: A case of body care products. Retrieved November 2, 2012 from Takming University of Science and Technology.
- Heymann Paul - Tag Hierarchies, research notes.
- Leppaniemi M. (2008), Mobile marketing communications in consumer markets, Oulu University.
- Pride & Ferrell (2012). Marketing. South Western University-
<http://www.csustan.edu/market/williams/3410-10-10.htm>.