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New technologies in marketing:
The special case of Buzz Marketing

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Empezar es ya más de la mitad del todo

ARISTÓTELES

Resumen

Cada día resulta más difícil convencer al consumidor de que compre los productos de una determinada empresa o contrate sus servicios simplemente con la publicidad convencional. Esto ha llevado a la aparición de nuevas técnicas para publicitar y llegar de manera más eficiente al público objetivo.

Buzz Marketing es un nuevo término proveniente del inglés cuya traducción sería “marketing mediante el rumor o el cotilleo”. Hay nombres similares como el Boca-Oreja o la predicación.

Resum

Cada dia és més difícil convèncer al consumidor de que compri els productes d'una determinada empresa o contracti els seus serveis simplement amb la publicitat convencional. Això ha provocat l'aparició de noves tècniques per publicitar i arribar de manera més eficient al públic objectiu.

Buzz Marketing és un nou terme provinent de l'anglès i la seva traducció vindria a ser “marketing mitjançant el rumor o de tafaneria”. Hi ha noms similars com el Boca-Orella o la predicació.

Abstract

Nowadays is hard to convince the consumer to buy our products or services only with conventional advertising. For this reason, new advertising techniques have been created to reach the target market.

Buzz Marketing is a new English term, also known as word of mouth or predication.

Palabras claves / Keywords

Buzz Marketing – New Techniques - Advertising – Word of Mouth – Communication

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Introduction

This thesis was born because of the increasing need to communicate marketing messages in a different way. The conventional advertising (on TV, radio, newspapers, etc) is not as effective as before. However, new Medias like Internet are becoming more and more important. This fact implies an upcoming change in the marketing strategies of the firms.

Not only Internet is the new technology to take into consideration. There are other technologies like cell phones or digital TV which are very important in our lives. The difference between the conventional/old-fashioned advertising and the chances that you have to advertise with the new technologies is the interaction with the people. With these new technologies you can have a real feedback of your target and, because of that, fill their needs better.

Some particular examples will be studied deeper. The cases of Facebook or Youtube in online advertising are two of these examples. Facebook is one of the most important webpage at the moment. It is the most famous Social Network worldwide. It represents a huge opportunity to advertise to some specific target with a big ROI. Youtube is an important webpage of video broadcasting and it is an alternative way to advertise, without the hard censure or the limited time of TV advertising.

In cell phones, some technologies as Bluetooth and Multimedia Text Messaging (MMS) are pretty interesting to study because cell phones are like a part of our body. The impact of this kind of advertising will definitely be effective. There are other new techniques that will be studied too.

New techniques in other medias will be taken into consideration too. Then, we are going to relate the application of these new ways to advertise with the profit that the companies should have using these strategies.

1. Advertising and marketing nowadays

1.1. Problems of Traditional Advertising

Conventional advertising is in the worse situation ever. The upcoming technologies and the existing ones are not good friends of this kind of advertising. Cable television, Internet, cell phones, etc. are taking advantage of TV, radio and newspapers.

For example, the Internet has become a medium for advertising, since the earlier 90's. It has also been preferred by consumers and businessmen in public shopping and business dealings. Unlike any other media, like television, radio and print, Internet advertising solutions with its low cost has become widely used.

Due to the considerable growth in figures of Internet users and because of the inexpensive Internet advertising solutions, it has more capability for multimedia subject matter. It could capture texts, images, video and audio. Creativity is one of the most important things for the success of an ad and, with the Internet, the advertisers could produce logos, moving banners, animated and 3D imagery. With these in hand, advertisers mix these forms to produce successful and low cost Internet advertising solutions.

In comparison with the conventional media, the Internet offers, with just one click, a money-saving Internet advertising solution, shoppers could get all the information they need by visiting any web site. The businessman could obtain the services he needs. The company is happy doing business with their clients. The clients are happy doing business in the comfort of their homes.

Unlike meeting in person, wherein time and money could be wasted, the low cost Internet advertising solutions benefits the company in which the services and products are receiving sales. Plus, it also benefits the consumers who receive comfort and satisfaction guaranteed.

Inexpensive Internet advertising solutions are able to lead other advertising medium because they were developed to be interactive. When a consumer reads and clicks on a web advertisement, it is easier and more convenient to respond or inquire with email and business reply cards. Unlike other advertisings, low cost Internet

advertising solutions' ability to answer feed backs in real time enables the companies to reply, resolves complaints and answer inquiries.

Internet advertising solutions provide a low cost and effective resolution for attracting targeted, high quality customers. This low cost Internet advertising solution also provides web site publishers with a prospect to generate advertising revenue from their unsold marketing inventory.

Conventional advertising could never be replaced, for the moment. However, because of developments in the technology, people prefer their services online. With low cost Internet advertising solutions present, the consumers, companies, advertisers and even the common people's lives have been given a deserving contentment.

There are other cases of new technologies that are becoming important. The Cable TV can not be compared with the conventional TV because the choices are quite bigger. For these reason is very difficult to make effective advertisement on TV. The viewers can change the channels so often that the impacts are few.

Outdoor advertising is one of the traditional way of advertising that is updating better. This kind of advertising is good because is ubiquitous and inescapable. It is good too in markets where television ad viewing is shrinking.

Radio is underperforming and slowing. The most important handicap for radio advertising is that is a passive and the upcoming new technologies are taking advantage. Internet, MP3 and satellite radio are the most important enemies for the traditional radio. With these new technologies, advertising in radio is in real danger.

Print medias as newspapers ad magazines are in recession. The number of newspapers is slowing. Online newspapers are a big deal too. It is faster, cheaper, more efficient for the readers to take the news online. The print ads are not as competitive as the ones that are on Internet. The interaction with the ad is not possible in the printed version of newspapers.

1.2. Marketing

Another important issue for the firms is know if they are following the correct marketing strategy. A question has to be answered: Does Your Company Need More Marketing? Or Just Better Marketing?

Many sales problems can be solved by improved marketing. Selling harder is often not the solution. More or just better marketing may be what is needed. Marketing presents a special problem for any company that has not yet developed a professionally staffed marketing department.

1.2.1. Marketing: The Difference Between Buying And Selling

The definition of marketing has been attempted by many authors. It is commonly referred to as the process of relating the potential customers' needs and wants to the company, and then addressing the company's solutions to meet those needs and wants back to the marketplace.

We have described marketing as the process of focusing on Who the customer really is, and What the customer is actually buying from you rather than what you're selling. What customers can buy from your firm that they cannot buy from another is the real reason they do business with you.

The marketing functions within your company that support this work can be divided into product marketing and marketing services to support demand creation and sales. Both functions are necessary to have an effective marketing effort. However, they are distinct. How much of each you need and who should perform these duties are important issues.

1.2.2. What Is Product Marketing?

The classic definition of product marketing includes the issues of product, price, promotion, and sales channel (place). The concept of product marketing holds true whether your company is a "product" or a "service" company. In the case of a service company, your "product" is the service provided. To succeed, these product marketing issues (product, price, promotion, and place) must be handled so they are effective from the customer's point of view. Product marketing works over two

different frameworks, each important, and fundamentally very different. These two areas are strategic and tactical.

1.2.3. Strategic Marketing

Strategic product marketing is the future component of the marketing problem.

Strategic issues include:

- What business is your company in?
- What business should you be in?
- What products or services should be designed and offered?
- What technical capabilities need to be developed within the company or acquired from outside the company?

Other related strategic issues include:

- Marketing channel strategies (How do you reach your customers, then sell and deliver the goods?)
- Competitive positioning (What sets your company apart in the minds of your customers?)

1.2.4. Tactical Marketing

Tactical product marketing deals with issues that relate to the success of current products or services. These include:

- New products or services introductions
- Promotion of existing products
- Development of marketing programs and literature that are effective in reaching the customer
- Communicating the unique position that separates your company from your competitors
- Ensuring that the sales channels are being used effectively to reach customers

The development of tactical plans is a product marketing function. The execution of some of these tactical items may be accomplished by marketing services, as described next.

1.2.5. What Are Marketing Services?

Marketing Services executes tactical marketing programs. This may include sales contests, public relations, advertising, trade shows, dealer programs, direct mail campaigns, etc. This function manages or provides the creative, and produces items such as brochures, advertisements, press releases, trade shows, etc.

There is obviously an overlap between tactical marketing and marketing services in the area of defining and planning these programs.

Marketing Services' function is to create and manage the tools, support materials, and collateral that tactical marketing has determined necessary to effectively implement the programs designed to achieve the strategy.

1.2.6. What Do Marketing Problems Look Like?

Sometimes it's easy to see a marketing problem. One example of this is a stalled product. You have spent many months developing a new product and feel sure of its merits in the marketplace. You have introduced the product, but it seems to be going nowhere.

Then you must ask yourself:

- What do I need to do to take advantage of your investment and ensure the success of the new product (and perhaps my company)?
- Should I lower the price?
- Should I raise the price?
- Do I need to spend money on advertising?
- Do I need to kick off a public relations campaign?
- Do I need new sales channels, or do I need a program to "kick start" my existing channels?

Obviously some of these issues are tactical product marketing. Some may involve marketing services, or the problem may be fundamentally strategic.

Sometimes it's more difficult to recognize the problem as belonging to marketing. It can still clearly be rooted there however.

Some marketing problems are easier to identify. You have an idea for a wonderful new product. But...

- What features should it have?
- What is the importance to your customers of each feature?
- Is there something else even more important about which you are unaware?
- How do you tell the story of the product so that you can get your sales people excited, and your customers to buy?

To answer these questions, what do you do? Do you conduct a focus group? Or a user survey? By phone, or letter, or face-to-face interviews? Or just design it, release it, and hope you were right?

The key to marketing is to see your company as you are seen by your customers. If you're satisfied with your company's results and feel that the future of your company is secure, then you may have all the marketing you need.

If you feel better results are needed, that you should be selling more, or your profits should be higher, or you should be doing a better job of satisfying your customers then you should seriously consider adding marketing talent to your team.

There is another way to avoid all these problems: using new marketing techniques as Buzz Marketing.

2. Buzz Marketing

2.1. What is Buzz Marketing?

It may sound like a new buzzword, but it's really one of the oldest forms of marketing. It doesn't matter whether you are online or offline, you should never overlook buzz marketing.

There are many forms of marketing available to business owners; both online and off-line. Direct mail, pay-per-click, link trades, SEO (search engine optimization) and SEM (search engine marketing), viral marketing and much more terms.

Buzz or word of mouth marketing influences more people to buy, or not to buy products and services, than most other forms of marketing. Why is it so powerful?

Basically, we have a need to share information as a means of communication and also as a way of understanding the world around us. Often, we base many of our purchasing decisions on information gleaned from friends and well-respected associates. We tend to listen to them more readily than most mass-media messages.

Put simply, buzz marketing is the practice of gathering volunteers to try products, then sending them out into the world to talk up their experiences with the people they meet in their daily lives. The idea is that the more people see a product being used in public, or the more they hear about it from people they know and trust, the more likely they will be to buy it for themselves.

Of course, word-of-mouth has long been the way that many people find their favourite products, or learn about a new favourite movie, book or restaurant. For years, people recognized the power of word-of-mouth in convincing, influencing, affecting consumer behaviour, and it is more credible than traditional advertising.

In practice, buzz marketing can take several different forms. Some companies identify particular types of people to do their buzzing for them. Known as 'mavens' or 'influencers' or 'early adopters,' these are the people who naturally set cultural trends, who define what is cool before the rest of the world even realizes it exists

Furthermore, buzz marketing describe activities that companies do to generate favorable word of mouth publicity about products and services. Buzz marketing is in essence a unique form of viral marketing, so to truly understand buzz marketing's far reaching effects for online and offline businesses, we need to understand viral marketing.

Viral marketing behaves just like it sounds: it's contagious! A virus reproduces by somehow replicating itself and spreading to new hosts or cells. Viral marketing is a form of advertising that essentially propagates itself by replication, spreading, and becoming a form of branding through its familiarity. It also encourages people somehow to pass along the form of advertising to someone else, whether on purpose or unwittingly. And very successful word of mouth advertising creates buzz, hence the name buzz marketing.

Buzz marketing is contagious, as said, but it is usually spread with purpose. It attempts to make each encounter with a consumer feel and appear to be a completely spontaneous and unique personal exchange of information, rather than some form of advertising. Before media streams from the Internet, television, or even radio, people had to rely upon word of mouth advertising.

The word spread like wild fire with no advertising dollars being spent at all, which is fairly impressive for a buzz marketing campaign in general, especially for a company we know has plenty of dough for advertising.

Buzz marketing is not new, it is clear that Internet technology has drastically changed the way it's being used. Campaigns are now being perpetrated in chat rooms, in email, on discussion boards, and even in peer to peer downloads, where marketing representatives assume an identity appropriate to their target audience and pitch their product.

As technology continues to facilitate the delivery of an electronic buzz marketing message and software applications make message deliveries easier to quantify, some advertising experts predict that electronic buzz marketing techniques will become an standard component in all cross-media advertising campaigns. Others warn that abuse of this potentially powerful electronic marketing technique will be its downfall.

Since the beginning of evolution the human species has been naturally known to express feelings through emotion. This ideal of human expression plays an important role in buzz marketing. The experience a customer has with a particular service and or product can vitally affect the feelings spread by that person to other potential customers. Experiments concerning human behavior have conclusively determined that our species releases adrenalin and endorphins when express emotion.

Due to these chemical reactions that take place in our bodies during an experience, we are naturally more likely to spread negative feelings than positive ones. The marketers have an extreme challenge in this case to provide the most positive message to consumers. It is their job to provide the most positive experience because it usually only takes one bad experience to loose a happy customer.

Needless to say, angry customers have far more energy to say disrespectful things about your product or service than a happy or satisfied customer has to solicit business for you from their friends. That is, unless, you truly have a product that has saved their life or changed their life so drastically that it produces feelings that far outweigh the energy from angry hormones.

Buzz marketing has been referred to also as evangelism. Evangelism, while technically the zealous ability to spread the gospel and convert followers, can still apply to marketing. When a person is so excited about a particular thing, they can't help but talk about it. This is the idea behind evangelism and buzz marketing alike. You want people to be excited about what you have to offer, and tell their friends about you and your stuff. You literally have people taking the message to the streets and spreading the good news.

Buzz marketing is also important to propagate branding. Branding anymore seems only to apply to huge names in advertising, like car companies, athletic shoes, or sodas. But this is not necessarily the case. The American Marketing Association (AMA) defines a brand as a "name, term, sign, symbol or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of other sellers". Every company strives for branding. Key elements to creating a brand are familiarity, repeat business, and uniqueness.

There are some specific ways you can promote buzz marketing for your product, service, or website.

2.2. Branding

Successful buzz marketing goes hand in hand with branding. Branding is not about getting your target market or audience to choose you over the competition, but it is rather about getting your prospects to see you as the only choice that provides a solution to their specific problem. You do this by integrating your brand strategies through your company at every point of public contact.

Your brand resides within the hearts and minds of customers, clients, and prospects. It is the sum total of their experiences and perceptions, some of which you can influence, and some that you cannot. The objectives that a good brand will achieve include delivering your message clearly, confirming your credibility, connecting your target prospects emotionally, motivating the buyer, concreting user loyalty, and getting the public involved.

2.3. How the buzz is created?

Ten guidelines to be considered about the creation of the buzz:

1- Brainstorm all possible groups of people who might be interested in your products/services. Consider including the media, opinion leaders, influencers, lead users, politicians, analysts, etc. Don't forget chat rooms and newsgroups although buzz still spreads primarily by personal interaction.

2- Research how information spreads among your customers. Ask them how they usually learn about new products/services. Who are their major information sources? Who's information do they value? You're primarily looking for groups of people rather than individuals. However, don't discount individuals, as they may well be a powerful opinion leader.

3- Develop a clear and concise message highlighting the product/service benefits you want to filter through these different groups. Focused on your product's uniqueness and what it can do, for example, to help save time and money, two basic elements most people seek.

4- Think about ways to tap into these groups to spread the word about your products/services. Use these in addition to your existing marketing efforts. Never rely

on just one means of connecting with your target audience. Your credibility is enhanced through different marketing mediums. For example, exhibit marketing could include pre-show advertising, at-show sponsorship and post-show, a trade publication article. The more ways people can hear and see you the better.

5- Offer prospects easy ways to try your product/service. For example, the makers of Pictionary gave demos in parks, shopping centers and other gathering places. The tradeshow floor presents excellent opportunities for this.

6- Come up with other creative ideas to enhance tradeshow show demonstrations. What can you give people to take away to remind them of your company, products and positive show experience. Think about something that will help create the buzz. It will have to be more creative than a keychain or stress ball. The more product-related the better. You want people to remember and talk about you positively!

7- Look at special groups whom you might offer a product discount, a loaner or even for free. You're looking for groups/individuals where the direct product experience will help spread the word. For example, when FedEx started out, it offered free shipping to show people how their program worked. America Online continuously finds ways to offer hundreds of free hours of trial usage to entice new users. There is also a display of free CDs at WalMart.

8- Use press conferences for major announcements, new product introductions, but only if they are truly new or improved, or general industry trends - what's hot and what's not. Realize that editors are interested in timely newsworthy information; industry trends, statistics, new technology or product information. The media get very upset attending a press conference which is poorly organized and where there's nothing newsworthy.

9- Use sneak previews at tradeshows to build anticipation and help create a buzz on the show floor. Give people a fun experience and a behind the scenes view of what's coming. Television and the movies have got this down to a fine art with their coming attractions. For example, Siemens organized a live marketing presentation with a futuristic theme that featured a digital phone prototype. They certainly created a buzz which had people inquiring about the product's availability.

10- Make use of tradeshow to educate your target audience. People are hungry for information. Investigate opportunities to speak either during the workshop sessions or incorporate an educational session into your display.

The power of buzz far exceeds many conventional marketing vehicles. It is probably the oldest, most well-used and valuable one out there. Look at how you can make it an integral part of your existing marketing plan to influence the voices in your industry.

2.4. Internet Methods of Buzz Marketing

2.4.1. Blogs

One of the latest popular ways of buzz marketing is via blogging. In essence, the blogger is someone who generally has many elements of his or her life online for the entire world to see, and it is through this openness that the blogger gains the trust of the reader. So if your favorite blogger recommends a product, there is a very good chance that you and their other readers will either check it out or buy it.

If you truly have a product that relates to a particular blog, then send the blogger a letter, and in some cases, simply an email could do it. It also can't hurt to send that blogger a free sample item or possible service in order to enlist their help to recommend your product, or write a review. You might see if you can offer the blogger a link on your website or help them with some other buzz marketing method in return.

2.4.2. Sales Letters

There are multitudes of sales letters on the Internet for just about anything. You know just the ones I mean; you recognize them by their long single page that usually has a brightly colored background, with a table centered in the middle with a white background and a font size anyone can read even without their glasses. There's usually lots of highlighting, quotes from people, perhaps trusted people in their areas, like doctors or other certified professionals, even celebrity endorsements. There are huge headlines and bold text, italics, and anything else that can jump at you from the screen.

A good sales letter should be measured by how effective it actually is. If a sales letter doesn't inspire people to purchase, or doesn't elicit trust in the reader, you might as well toss it out the door.

One of the most important elements of a successful sales letter are testimonials and amazing success stories. The letter is going to "let you in" on a little known secret. You are going to be the lucky one to have this life-changing information.

2.4.3. Freebies

Offering promotional software, an e-book, or a trial sample are methods that encourage buzz marketing. The try-before-you-buy technique is not by any means new, but by offering a sample or by withholding certain items (like software features), you are in line for a buzz about your product. Geeks definitely share recommendations on what software does this or that for them, and they always know where to find it.

2.4.4. Polls, Surveys or Feedback Forms

People love to give their opinion, whether it has been asked for or not; if you ask your audience for feedback, you better believe they will give it. And while you may not want to know all the negatives, knowing what people are saying about your stuff will encourage you to streamline your product into something they want. Many times, just generating open discussion about a product can help imprint that product in someone's mind and promote branding.

Feedback is one of the most important parts in communication. The feedback is going to help your company to improve in every issue.

2.4.5. Forums

People seek out forums for advice when they don't know who to turn to for help. There are forums for everything, from computing to quilting to raising orphaned kittens. It's those individuals who want to impart their knowledge to a particular niche

group of people looking for exactly what that forum has to offer. And it's those members that are looking for the kind of advice they can trust in a forum setting.

Further, if you hang out on the forums that pertain to your product or service, and become a trusted member, then your product or service will become trusted as well in time. Just remember that flaming in forums (multiple answers from the same person) probably won't build other members' trust!

2.4.6. Press Releases and Articles

Companies always advocate a press release or a news article for a product. There are many people out there that know that press releases are nothing more than a company tooting its own horn, and hoping it gets picked up as an interesting story by the press. Yes, this is exactly what they are. And there is absolutely nothing wrong with it, because it doesn't cost you a thing except a little bit of effort.

If you hear it on the news, you are very likely to believe it. Journalists will tell you that they report the news without bias and completely objectively, but I have never met a news story that was not spun in one direction or another. If you are able to pique the interest of a journalist, then you can count on the fact that your product or service will be regarded as newsworthy, and worth checking out. Then when your story is put out there, people will, more often than not, believe every single word.

2.4.7. Have a "Secret"

People love mysteries. In fact, sometimes the more obscure the references are to something, the more people talk about them to figure them out.

This spring, an online game for the hit television show "Lost" was released and increased the popularity of the show dramatically. This spike was due to the fact that people who had never even watched the show were exposed to the program. This is a typical example of buzz marketing. In addition, a marketing strategy to increase the popularity of the game was for players to watch the actual show for clues on how to win the game. This is a very effective linking method of action and media, as well as a way to build interactivity into a product.

2.4.8. Games

Offer a game or a puzzle for people to work on, and possibly offer a prize for figuring it out. Even if it's a virtual prize, there is something to be said about winning! This summer in the movie theaters, Disney promoted their blockbuster movie "Pirates of the Caribbean: Dead Man's Chest" by having a mystery for the public to figure out. They utilized buzz marketing with the find-the-treasure game in which people could actually win money, cars, or other cool prizes.

Another example could be Cartoon Network and Nickelodeon are two kids' networks that have built a virtual empire by appealing to kids through buzz marketing in the form of free games online.

2.4.9. Entertainment

Fortunately or not, humans are sponges for advertising in all forms, whether we like it or not, especially if it's entertaining. And advertisers know this. We are inundated with advertising and marketing while driving in our cars (billboards), listening to the radio, in the newspaper or a magazine, on TV, and of course, on the Internet. We just don't want to feel like we are being advertised to. Entertainment is one of the best forms of advertising available. When we are entertained, we will likely talk about how much fun it was, or how funny a particular commercial might be.

Subconsciously, we will be influenced by what we see and hear, and if we are attracted to that particular form of advertising, then it sticks the best. Sure the commercial was funny, but it's not until someone else we know has seen it and agrees that it was funny does it really stick with us.

Ultimately, the best form of advertisement is the non-advertisement, and by that buzz marketing.

3. New Technologies for Buzz Marketing

After revising different ways of using Buzz Marketing, there are plenty of new issues that are definitely useful to create buzz. They are not taken into consideration before because they are really new. The technology which include this new technologies that can be used for the Buzz Marketing is known as Web 2.0.

Web 2.0 refers to a perceived second generation of web-based communities and hosted services, such as social-networking sites, wikis, and folksonomies, which aim to facilitate creativity, collaboration, and sharing between users. Although the term suggests a new version of the World Wide Web, it does not refer to an update to any technical specifications, but to changes in the ways software developers and end-users use webs.

According to Tim O'Reilly, one of the mavens of Web 2.0., "It (Web 2.0.) is the business revolution in the computer industry caused by the move to the Internet as platform, and an attempt to understand the rules for success on that new platform." This is because there is a genuine interactivity, if you like, simply because people can upload as well as download.

Web 2.0 websites allow the user to do more than just retrieve information. They can provide "Network as platform" computing, allowing users to run software applications entirely through a browser. Users can own the data on a Web 2.0 site and exercise control over that data. These sites may have an "Architecture of participation" that encourages users to add value to the application as they use it. This stands in sharp contrast to traditional websites which limit visitors to viewing and whose content can only be modified by the site's owner. The sites may also have social-networking aspects.

The analysis of the economic implications of "Web 2.0" applications and loosely-associated technologies such as wikis, blogs, social-networking, open-source, open-content, file-sharing, peer-production, etc. has also gained scientific attention. This area of research investigates the implications Web 2.0 has for an economy and the principles underlying the economy of Web 2.0.

Organizations could make use of these principles and models in order to prosper with the help of Web 2.0-like applications. In addition, companies can design and

assemble products with their customers, and in some cases customers can do the majority of the value creation. In each instance the traditionally passive buyers of editorial and advertising take active, participatory roles in value creation. With Web 2.0 you can create models where masses of consumers, employees, suppliers, business partners, and even competitors cocreate value in the absence of direct managerial control.

It is impossible to indeep in every issue of this new world but it is necessary to analyze some aspects and some examples.

3.1. Social Networks: The Facebook phenomenon

3.1.1. Social Networks

A social network service focuses on the building and verifying of online social networks for communities of people who share interests and activities, or who are interested in exploring the interests and activities of others, and which necessitates the use of software.

Most social network services are primarily web based and provide a collection of various ways for users to interact, such as chat, messaging, email, video, voice chat, file sharing, blogging, discussion groups, and so on.

The main types of social networking services are those which contain directories of some categories (such as former classmates), means to connect with friends (usually with self-description pages), and recommender systems linked to trust. Popular methods now combine many of these, with MySpace, Bebo and Facebook being the mostly widely used in the anglosphere, first, and now around the world.

Social networks connect people at low cost; this can be beneficial for entrepreneurs and small businesses looking to expand their contact base. These networks often act as a customer relationship management tool for companies selling products and services. Companies can also use social networks for advertising in the form of banners and text ads.

Since businesses operate globally, social networks can make it easier to keep in touch with contacts around the world. In many ways business networking on social

networks has eclipsed the amount of networking that takes place on dedicated business networking websites.

Some key issues to understand how a Social Network works:

- Oversharing. It is the engine of the Social Networks, the desire of sharing the largest number of information to as much people as you can.
- Technologic development. This interaction is can be possible because of the large penetration level of Internet worldwide. It is more than the 50%. The related technology is really important too, for example, mobile technology. (iPod or PSP)
- The expression as most important value. The communities created on the Internet are not a product themselves. The value is what the communities do and say. Why do we have to have Cool Hunters around the world if we can sit down and see what the people want?
- Show me the Money. The viability of these networks is not in their development but in how the businesses are going to use them. Not only advertising is the only way to make money with the networks.

There are a lot of social networks websites around the world with different features each one. This chart shows the list and the most important issues to take into consideration: (data from end of 2006) (In Bold the most important ones)

<i>Name</i>	<i>Description/Focus</i>	<i>Registered Users</i>	<i>Registration</i>
43 Things	Goal and Dreams; Tagging	1,007,433	Open
Advogato	Free and open source software developers	11,000	Open
Amina - Chechen Rep Online	Chechens	3,500	Open
ANobii	Books	Unknown	Open
aSmallWorld	European jet set and social elite	150,000	Invite-only
Badoo	European young adults	12,000,000	Open
Bebo	General, Popular in UK, Ireland, New Zealand	40,000,000	Open
BlackPlanet	African-Americans	16,000,000	Open
Broadcaster.com	Video sharing and webcam chat	26,000,000	Open
Buzznet	Music and pop-culture	550,000	Open
Capazoo	General (blogs, photos, music,		Open

	videos)		
CarDomain	Car enthusiasts	1,600,000	Open
Care2	Green living and social activism	7,744,297	Open
Classmates.com	School, college, work and the military	40,000,000	Open
Consumating	"Consumemeetings"	21,000	Open
CouchSurfing	Hospitality	281,000	Open
Cyworld	Young South Koreans	21,200,000	Open
Dandelife	Collective narratives or "shared biographies"		Open
Del.icio.us	Link sharing. Owned by Yahoo!.	Unknown	Open
Dodgeball	Mobile location-based service. Owned by Google.		Open
DontStayIn	Clubbing (primarily UK)	333,000	Open
Doostang	Careers	351,425	Invite-only
eCRUSH	Teens	4,400,000	Open
Experience Project	Life experiences		Open
Facebook	General. Popular in Canada, UK and USA.	73,500,000	Open
Faceparty	British teens and young adults	5,900,000	Open to people 16 and older.
Faves	Link sharing, private and shared bookmarks (formerly Blue Dot)	80,000	Open
Flickr	Photo sharing	4,000,000	Open (Yahoo! login)
Flirtomatic	Flirting/Dating	265,000	Open to people 18 and older.
Flixster	Movies	36,000,000	Open
Fotki	Photo sharing	1,000,000	Open
Fotolog	Photoblogging	12,695,007	Open
Friends Reunited	School, college, work, sport and streets	19,000,000	Open
Friendster	General	26,500,000	Open
Frühstückstreff	General	11,600	Open
Gaia Online	Anime and games	9,300,000	Open
Gather	Article, picture, and video sharing, as well as group discussions	360,000	Open
Geni.com	Families, genealogy	750,000	Open
Grono.net	Poland	1,350,000	Invite-only
GuildCafe	Online games		Open
hi5	General	50,000,000	Open
Hospitality Club	Hospitality	328,629	Open
Hyves	Dutch	3,266,581	Open
imeem	Music, Video, Photos, Blogs	16,000,000	Open
IRC-Galleria	Finland	400,000	Open
iWiW	Hungary	2,600,000	Invite-only

Jaiku	General. Owned by Google.		Open
Joga Bonito	Football (soccer)		Open
Last.fm	Music	15,000,000	Open
LibraryThing	Book lovers	214,425	Open
LinkedIn	Business	16,000,000	Open
LiveJournal	Blogging	12,900,000	Open (OpenID)
LunarStorm	Sweden	1,200,000	Open
MEETin	General	72,000	Open
Meetup.com	General	2,000,000	Open
MindViz	Custom Profiles, Photo & Video Sharing, Music, etc...	145,000	Open
MiGente.com	Latinos	3,600,000	Open
Mixi	Japan	9,830,000	Invite-only
MOG	Music		Open
Multiply	"Real world" relationships	5,000,000	Open
MyChurch	Christian Churches	70,306	Open
My Opera Community	General (blogs, photo albums, forums, groups, etc.)	1,001,798	Open
MySpace	General. Popular in the USA.	289,000,000	Open
myYearbook	General	950,000	Open
Netlog	Formerly known as Facebox.	28,000,000	Open
Nexopia	Canada	1,158,531	Open
OkCupid	Dating		Open to people 18 and older
OneClimate	Climate Change and the Environment		Open to everyone
orkut	Owned by Google. Popular in Brazil and India.	67,000,000	Open (Google login)
OUTeverywhere	Gay		Open
Passado	General	4,700,000	Open
Piczo	Teenagers, Canadians, photo sharing	10,000,000	Open
Playahead	Swedish teenagers	530,000	Open
Playtxt	Mobile social network, location, worldwide	70,000	Open
Pownce	Websites, files, and short updates		Invite-only
ProfileHeaven	British teens	100,000	Open
RateltAll	General (consumer ratings)		Open
Reunion.com	Locating friends and family, keeping in touch	28,000,000	Open
Ryze	Business	250,000	Open
Searchles	Social search and networking		Open
Sconex	American high schools	500,000	Open
Sermo	Physicians	20,000	Open
sexi	Japan (sexual networking site)	60,000	Invite-only

Shelfari	Books		Open
Skyrock Blog	France, Belgium, French Polynesia, Guadeloupe, Martinique, New Caledonia, Senegal	3,800,000	Open
Snooth	Wine		Open
Soundpedia	Music	3,500,000	Open
Sportsvite	Recreational sports	18,000	Open
StudiVZ	University students, mostly in the German-speaking countries	2,400,000	Open
Tagged.com	General	30,000,000	Open
TagWorld	General (tagging)	1,850,692	Open
TakingITGlobal	Social action	145,000	Open
The Student Center	Teens and colleges	800,000	Open
Threadless	Custom T-shirts	364,474	Open
TravBuddy.com	Travel	760,000	Open
Travellerspoint	Travel	105,000	Open
tribe.net	General	602,876	Open
TuneDNA	Music		Open
Twitter	General		Open
Vox	Blogging		Open
WAYN	Travel and lifestyle	8,000,000	Open to people 18 and older
WebBiographies	Genealogy and biography		Open
WeeWorld	General (cartoons)	1,700,000	open
Windows Live Spaces	Blogging (formerly MSN Spaces)	40,000,000	Open
Woophy	travel & photography, photo sharing website	23,000	Open
Xanga	Blogs and "metro" areas	40,000,000	Open
XING	Business	4,000,000	Open
Yahoo! 360°	Linked to Yahoo! IDs	4,700,000	Open to people 18 and older, (Yahoo! login)
Yahoo! Mash	Yahoo's new SNS - Still in beta		Invite-only while in beta
Zoomr	Universal photo sharing		Open (OpenID)

Nowadays, one of the most important networks is Facebook. It has very original and useful features which make this social network unique.

3.1.2. Facebook Phenomenon

Facebook was launched in February 2004 by Harvard undergrad students as an alternative to the traditional student directory. Its popularity quickly spread to other colleges in the US by word of mouth, and the site now registers close to 15M monthly unique visitors and over six page views per month per user.

Facebook has completed two rounds of venture financing at very high valuations, the first at a valuation of \$100M and the second at \$550M (valuations are unconfirmed). These valuations were driven by the multiple acquisition offers that Facebook has reportedly turned down (the latest was a rumored \$750M offer). Facebook is already generating significant revenue, so despite all the valuation and web traffic metric hype, it has also established a very real business. In October 2007, the Microsoft Corporation bought 1.6 percent of Facebook for an estimated \$240 million. This purchase spurred a competing offer from online search leader Google Inc.

Key success factors

- Provide pre-existing offline community with a complementary online service. Facebook had its initial success with college students by providing an information service that was not available offline, an interactive student directory containing each student's class schedule and social network. Before Facebook added the feature sets it has today, it was simply a more complete student directory. Facebook did not create a community where one never existed before; rather they provided an important information and communication service to a pre-existing offline community. While students already had a loose affiliation with all fellow students at a college, they didn't have an easy way to learn more about their fellow students outside their direct social network. Given the large class sizes at most universities today, students don't have the opportunity to interact with very many of their fellow classmates during class. Facebook organized students by class schedule for the first time, making it possible to learn more about that classmate you might have a crush on. The larger picture here is that Facebook created a high utility online service for enabling pre-existing social behaviors within an offline community. This makes for an interesting lesson learned: it's easier to piggyback off a pre-existing community with offline behaviors that drive online service usage.

- Restrict user registration (and other behaviors) to build desired online service. Facebook made important product decisions that ensured harmony and trust between the offline community and the online service created. Facebook originally limited membership to those users who could verify they had a “.edu” e-mail address for the college they attend. Facebook also placed limits on the ability to search or browse users to the college that the user attends. These measures aim to make users feel that the site is exclusive and limited to members in their offline community (colleges and universities). Facebook has opened its doors to users outside the .edu networks. To accomplish this, they have created “networks”. High schools, employers and geographic areas are, essentially, what colleges were to the original Facebook. When you join one of these “networks,” you can only view others in the self-designated network. Additionally, Facebook has implemented a number of privacy controls that allow users to control exactly who gets to see the information they provide.
- Aggregation of a series of deeply penetrated micro communities. Facebook is a more compelling advertising opportunity than other social networking sites because of deep penetration within a series of micro communities (college campuses, geographical regions, certain companies...). If a local advertiser wants to target a particular college campus or people from the place, Facebook is the best way to get the advertiser’s message to that audience. With 65% of users logging in daily and 85% weekly, advertisers can run time-oriented campaigns very effectively. The large, branded advertisers, who value reach, can advertise to nearly every student in the 18-22 demographic in the US with one campaign. Facebook will have ample opportunity to diversify its revenue streams beyond traditional banner advertising due to its deep penetration in these micro communities. Having the attention of 90% of students attending a university lends itself to online classifieds, event listings, e-commerce, and lead generation. Facebook should be well-positioned to be a major player in online classifieds given the usage patterns of its user base.
- Built strong brand recognition amongst user base and advertisers. The key to an online advertising business targeting branded advertisers (advertisers looking for branding, not just clicks) is having a strong brand that advertisers want to be associated with. How often do you hear that 90% of Facebook users login to the site once per week? Clearly the Public Relations coverage

came as a result of the tremendous viral growth, but capitalizing on that PR to help build brand was a key success factor.

- Founder(s) credibility with college audience. The “face” of Facebook is Mark Zuckerberg. Back in February 2004, when Facebook was founded, he was a student at Harvard. Two other students, Dustin Moskovitz and Chris Hughes were the second and third employees of the company. This added a level of credibility to the site in the minds of the student users. It was something one of them had created, not something fed to them by a “company” in the traditional sense. It was a place that they could trust because one of their own had made it. Adding to the underground feel of Facebook was the viral spread of the site. It fanned out throughout Boston, and then the Ivy League. Students at other schools had to wait in line until Mark and friends could find time to add their school. This created even more buzz around the product.

Launch strategy

Prior to launching Facebook, Mark Zuckerberg had experimented with a number of different web products. In fact, his first attempt targeted at the Harvard student body was called FaceMash, which drew criticism from the University and some students, prompting Mark to drop the service.

Mark launched Facebook (at the time called thefacebook.com) in February 2004. Once the site was ready for users, the Facebook founders blasted e-mails to Harvard students to let people know about the site. The team had access to the e-mail addresses of Harvard students at each dorm. Thus e-mail marketing, viral feature sets, and word of mouth was how Facebook was launched.

Given the immediate positive reaction that Facebook received at Harvard, Facebook began rolling out the service to other universities. Facebook did not use a targeted geographic roll-out strategy in the early days, they received registration requests from students at other schools, and then prioritized which schools to open based on the number of these requests. Interesting to note that this is how Craigslist rolls out to new cities – based on user requests.

Exit analysis

There has been much speculation in the blogosphere and mainstream press regarding who will buy Facebook and for what acquisition price. Reliable sources have said that Facebook did indeed turn down acquisition offers for \$750M earlier last year. Is such a lofty valuation for Facebook justified?

It all depends on an evaluation of future growth prospects. On the contrary, Facebook was generating almost \$1M per week in advertising revenue in Q1 2006. It is likely that Facebook will generate \$50M in revenue in 2006, up from \$10M in 2005. Some reliable sources believe that Facebook will do \$200M in revenue in 2007. Given that Facebook has been guaranteed \$200M in revenue over three years by the Microsoft advertising deal, the 2006 and 2007 revenue numbers seem attainable. If the 2007 revenue goal of \$200M is reasonable, a 5X forward revenue multiple does not seem to be an excessive valuation multiple.

Many people also point to the fact that Facebook is considerably smaller than MySpace from a site traffic perspective and hence should have a lower valuation than the \$500M that MySpace was purchased for. This type of comparison based on unique visitors and page views is clearly flawed because not all page views are created equal. There are several good reasons why Facebook's page views are more valuable than those of MySpace:

- Facebook's core user base (college students) is more desirable than MySpace's core user base (teenagers). Because college students have more disposable income and are more likely to have credit cards than teenagers, they are more desirable from an advertiser perspective.
- Facebook represents a more compelling local advertising opportunity than MySpace because Facebook can guarantee deep penetration of college campuses, whereas MySpace cannot show the same types of local market usage patterns.
- Facebook is viewed as a safer option than MySpace for branded advertisers, as Facebook has a less racy image than MySpace. In a market where advertisers are still hesitant regarding user generated content sites, Facebook has done a better job of brand positioning.

Food for thought

The Facebook success story is most interesting because of how daily offline social behavior drove usage of the site. There are plenty of activities in our daily life that could benefit from a complementary online product. However, if that offline behavior only occurs once every few months, you have the challenge of user recall. Namely, will users remember your service and know how to find it to fill their need.

Facebook demonstrates you have a great Internet service if offline behaviors can drive nearly daily usage online. In the life of a college student, you are meeting or interacting with new people nearly every day. It is human nature to be curious to learn more about that person, hence you jump on Facebook.

Facebook fills a high value need for college users on a nearly daily or weekly basis, consistently reinforcing the utility of the service, and building goodwill with users. The issue of user recall is an important one for a web entrepreneur to understand, particularly if the need they are addressing occurs infrequently in the lives of their target users.

Another lesson that Facebook reinforces is the importance of brand and public relations buzz to advertising rates. The amount branded advertisers are willing to pay for online advertising is hugely subjective, it's still more art than science. Many social services do not have high click thru rates on ads because people are not in the mind frame of looking for information when they are using a social service.

All social networking sites suffer from this "lack of click thru" problem. While immersive advertising opportunities will eventually displace banner advertising on most social services over time, for the time being, traditional banner advertising is still a critical revenue stream.

Finally, we can learn a lot from Facebook by how they built initial trust between users and their service. While these days it is easy to build a consumer Internet product, establishing trust with users is not. As an entrepreneur, how quickly you can establish trust with your users can be a critical success factor. Facebook built immediate trust via the home page by showing only a select few colleges as being open to registration. Coupled with the registration process, users immediately understood that the site was exclusively for use by college students. This made them

feel comfortable disclosing information that people normally wouldn't post on the Internet.

Simple, but very powerful. Facebook does give users control over the information displayed on their profile and to whom it is displayed, but only a small percentage of users actually change the default settings. Thus, the key part of the trust equation is not features, but branding and messaging about the service and who uses it.

Thirteen Facebook Predictions for 2008

The folks at Facebook Applications Reviews have come up with thirteen intriguing predictions for Facebook in this new year:

1. Facebook will break the 125 Million User Watermark
2. There will be over 37,000 Different Facebook Applications
3. Facebook will license it's platform to 3 Major Social Networking Sites
4. Facebook will Partner with a Major Media Outlet to bring unique Multi-Media content to Facebook (or create their own)
5. Facebook will be the top social networking site in over 13 countries
6. Facebook will announce Facebook Platform 2 which will change the concept of how we think of social connections and add more robust features
7. Facebook will acquire 2 "widget companies"
8. Facebook will become the most commonly used standard for social widget/app development (Not Google's Open Social)
9. You will no longer have to install an application to use it on Facebook
10. Facebook's unified payment system will bring the beginnings of e-commerce to a social ecosystem that generates over 300 Million in transactions.
11. Facebook will launch an Advertising Network for application developers that delivers higher value to consumers and application owners (revenue).
12. Facebook will hit more than \$400 Million in Revenue
13. Facebook will have 400 Applications from Brands in the ecosystem (70% won't success and get no traction because they don't understand social networks and how to touch users in that environment)

3.1.3. Why Facebook is good for Buzz Marketing?

There are a list of things which make Facebook a unique tool for the success of Buzz Marketing:

Demographics:

- 60 million active users projected by end of 2007 (actually they are more than 70 million)
- More of the half of current users return daily
- People spend an average of 20 minutes on the site daily
- Facebook also projects that 75% of worldwide users will be outside of college
- 56.3% female
- 58.4% have some college education
- 14% are non-white
- 34% work as professionals, executives, sales, education, or technical
- 12% are full time students
- 12% have children under 16

General Features:

Keep in touch with your old friends and meet new ones

- Private and public messaging options•
- Keep tabs on what your friends do via their News feed•
- Find former schoolmates using the search feature•
- User groups let you discuss with others who share your interests

Keep them informed about what you do

- Update your status
- Share your pictures, blog messages and videos
- Promote events you are organizing or planning to attend

Access a wealth of applications made for all purposes

- Fun, interactive applications
- Applications that let you publish content (photos, videos, notes,...)
- Applications linked to other platforms (Flickr, Pownce, Twitter,...)

Retain your privacy

- Control what strangers and friends may see and read about

Sponsored Groups:

- More than 6 million active user groups on the site
- Over 55,000 regional, work-related, collegiate and high school networks
- Group page with customized navigation, look & feel
- Usually includes a significant media buy to drive traffic to the sponsored group page
- Display ads and flyers
- Newsfeed targeting
- Costs usually in the six figures for a three month engagement
- Note that any company can set up a group for free
- Understand how similar groups meet/don't meet needs already
- Create a unique experience that
- Enable discussion board, The Wall, photos, etc.
- Read and respond to comments
- Be transparent about your role and perspective

Application best practices:

- Create useful apps that model what friends do naturally – share info, experiences, and laughs
- Plan out how to make your app viral
- Get feedback from users once you launch

Recommendations:

- Facebook marketing is about communicating, not advertising, so act appropriately
- Be a part of the Facebook experience
- More like content than advertising
- Tap into the reasons why friends share
- Listen, learn, and be ready to make mistakes

A low-cost and direct advertising solution for users: Facebook flyers:

- Flyers let users make their own ads on Facebook at low prices
- The price is based on how many times the Flyer is viewed
- Flyers are displayed on the left side of Facebook pages, with the possibility to:
 - Choose targets by both gender and age
 - Target specific colleges, and go further by specifying the education status desired (undergrad, gradstudent, alumni)
 - Select regional networks you want your ad to be displayed on
- FlyersPro, launched in Sept.2007,offer more options:
 - Selection more precise (by location, sex, age, keywords, politicalviews, relationship status and workplace)
 - Specify how much you are willing to spend to advertise, by setting a maximum price per click : the higher the price, the higher the chances your ad will be shown
- Facebook's lack of control has given rise to deceptive Flyers, launching fake security warnings and prompting users to download various softwares

New advertising solutions: homepage sponsored stories:

- Firms can target what everyone is paying attention to on Facebook: the users' NewsFeed, where a story about your product will be displayed
- Only one sponsored story is displayed at a time, meaning advertisers will not be vying for attention against other ads
- A creative way of advertising: Click through Rates 10 to 20 times higher than simple banner ads
- Companies have the possibility to choose a level of filtering:
 - Untargeted (Standard offer)
 - By gender or location (\$2 premium)
 - By their favorite interests, activities or movies (\$5 premium)

Towards a Facebook economy: Facebook applications development:

- With the launch of the Facebook platform, Facebook is now an online Social Operating System
- Facebook's first acquisition in July 2007, Parakey, was a web OS company

- Facebook allows developers to build their own applications, and lets them keep all the revenues generated from its exploitation
- The success of an application is highly dependent on the application's virality and its user base
 - Different ways of making money with an application:
 - Promoting third-party applications
 - Selling advertising space
 - Attracting sponsors
 - Selling online services
- Selling products
- Development of a real Facebook eco-system
- Facebook appfactories: Rockyu (superstar with the apps Horoscopes,X-Me and SuperWall), Slide, App Factory programme launched by VC Bay Partners, Social Media, 30boxes, AF83,...
- Internal (in third party applications) ad networks have sprouted: Lookery, FBExchange, RockYou, EggNetwork, Cubics, Appsaholic,...
- In Sept.2007, the \$10million fbFund was created by Facebook, offering grants ranging from \$50,000 to \$250,000 to aspiring applications developers
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3.1.4. A few points as a conclusion

The phenomenon is only starting and will be strongly influenced by the new applications available.

Privacy is an issue. The concentration of information freely available through the platform and the free-for-all mentality that enabled the creation of so many applications can be a threat to Facebook's success.

Facebook provides the best privacy management tools available in the social media universe. But it has yet to be properly understood and used by new users, especially as business and personal lives "collide" on Facebook more than on other social networking sites.

Brands and companies should learn how Facebook. It enables a new communication with their consumers: first, via sponsored groups for a real conversation in Web 2.0 and then, via clever advertising (feed, flyers in AdWords...).

Furthermore, it offers new collaboration and knowledge sharing opportunities: for example, a quickly spread of successful ideas, recruit people for projects or causes and let users manage what they do not want to share instead of asking them to make an effort to share.

3.2. Interactive TV, Video Sharing and the special case of Youtube

3.2.1. Interactive TV

Interactive television describes a number of techniques which allow viewers to interact with television content as they view it. It is sometime called interactive TV, iTV, idTV or ITV.

Interactive television represents a continuum from low interactivity (TV on/off, volume, changing channels) to moderate interactivity (simple movies on demand without player controls) and high interactivity in which, for example, an audience member affects the program being watched.

The most obvious example of this would be any kind of real-time voting on the screen, in which audience votes create decisions that are reflected in how the show continues. A return path to the program provider is not necessary to have an interactive program experience.

Once a movie is downloaded for example, controls may all be local. The link was needed to download the program, but texts and software which can be executed locally at the set-top box or IRD (intra-room decoder) may occur automatically, once the viewer enters the channel.

This technology is really useful to know the viewers feedback and target them more efficiently. If you know which kind of advertising is more watched by the audience, you will know how to target them better and more efficient. However, this technology is still very new, and the developers are working on it.

3.2.2 Online TV and Video Sharing

A video hosting service, also said a video sharing video service allows individuals to upload video clips to an Internet website. The video host will then store the video on its server, and show the individual different types of code to allow others to view that video. Because many users do not have personal web space, either as a paid service, or through an ISP offering, video hosting services are becoming increasingly popular, especially with the explosion in popularity of blogs, forums, and other interactive pages. The website, mainly used as the video hosting service, is usually said the video sharing website.

Some examples of video sharing webpages could be: Dailymotion, Godtube, Google Video, Metacafe, MSN Soapbox, YahooVideo, Youtube...

The mass market for camera phones has increased the supply of user-generated video. Traditional methods of personal video distribution, such as making a DVD to show to friends at home, are unsuited to the low resolution and high volume of camera phone clips. In contrast, current broadband Internet connections are well suited to serving the quality of video shot on mobile phones. Most people do not own web servers, and this has created demand for user-generated video content hosting, which the likes of YouTube are catering to.

Purpose of Video Hosts (for users)

- Save on bandwidth costs, often eliminating costs entirely
- Creating a common place
- Make a hassle-free experience, where uploading a video and streaming or embedding would normally require advanced programming knowledge. It is now commonly achieved through a [web browser], with little or no programming experience.

Those are the reasons why video sharing is so interesting for the development of a buzz marketing campaign. If you think about the advantages, maybe one day this kind of video could substitute TV advertising. With video sharing webpages the agencies can avoid some censorship, they can save a lot of money and they can reach the target that they want.

Some companies, for example Reebok US, made an entire story on video hosting webpages. In this case, they made a story about an American football player called

Terry Tate and his experiences in a company where he was hired for increase the productivity of their workers.

3.2.3. The special case of Youtube.

YouTube is a video sharing website where users can upload, view and share video clips. YouTube was created in mid-February 2005 by three former PayPal employees. The service uses Adobe Flash technology to display a wide variety of video content, including movie clips, TV clips and music videos, as well as amateur content such as videoblogging and short original videos.

In October 2006, Google Inc. announced that it had reached a deal to acquire the company for US\$1.65 billion in Google stock. The deal closed on November 13, 2006.

Unregistered users can watch most videos on the site, while registered users are permitted to upload an unlimited number of videos. Some videos are available only to users of age 18 or older (e.g. videos containing potentially offensive content). The uploading of pornography or videos containing nudity is prohibited.

Related videos, determined by title and tags, appear onscreen to the right of a given video. In YouTube's second year, functions were added to enhance user ability to post video 'responses' and subscribe to content feeds.

Few statistics are publicly available regarding the number of videos on YouTube. However, in July 2006, the company revealed that more than 100 million videos were being watched every day, and 2.5 billion videos were watched in June 2006. 50,000 videos were being added per day in May 2006, and this increased to 65,000 by July.

In August 2006, "The Wall Street Journal" published an article revealing that YouTube was hosting about 6.1 million videos (requiring about 45 terabytes of storage space), and had about 500,000 user accounts. As of November 2007, a YouTube search for "*" returns 56.6 million videos (the asterisk is a commonly-used wildcard character in search engines).

With these amazing numbers, Youtube has become a excellent tool for create buzz. As said before, the advertisers can upload videos for free on Youtube, after registering, and millions of people are potentially targeted without spending any

money. But the most important thing is create the buzz in a proper way. The most commonly used is emailing the link to the target who the advertisers want to reach. This early adopters of the video, if they like it, are going to send the link to more people, and over and over again. The buzz has begun.

3.3. Cell Phones

In the past decade, cellular devices have taken on an entire new realm of possibilities. Included in these possibilities is the option of advertising to the cellular user through their personal device. This would enable marketers to expose the product and or service to an innumerable amount of potential customers ranging in all ages.

"Any media is always in the client's pocket, is working an average of 21 hours per day, reproduces sounds, pictures, videos and has a penetration of 90% of the total population (in Spain), is interactive and allows you to make safety payments. Any but the cellphone". Sixto Arias, President of Mobile Marketing Association Spain.

3.3.1. Advantages of mobile marketing

- The cellphone is a media with low saturation of advertising. For this reason, the public has better predisposition.
- The execution of campaigns is fast and it can adapt to unexpected situations.
- It is permanent and it has a viral effect.
- It is really profitable.
- Complementary media: The cellphone has to be an element in the media mix while creating a campaign of commercial communication. It can make offline campaigns better.

3.3.2. Permission Marketing

Permission marketing is the actions based on the permission of the client to communicate with him, to know his preferences and tastes, and, with this information, adapt and costumize our offer. For this reason, permission marketing has to exist and has to be imperative in mobile marketing because respect and privacy are very important for our client.

3.3.3. Different kind of campaigns:

PUSH Campaigns: Send a SMS or MMS with information content or promotional of permission marketing. For example: Promos of the mobile phones firms to change your cellphone, download music, games...

PULL Campaigns: Integrate mobile technology inside other media campaigns (radio, TV, press) asking to the users for their participation with an SMS (voting, giving opinion...)

MULTISTEP Campaigns: High level of interaction. Good feedback from the user. This is useful for create better offers and be more efficient.

3.3.4. Proximity Marketing and Bluetooth

Proximity marketing is the localized wireless distribution of advertising content associated with a particular place. Transmissions can be received by individuals in that location who wish to receive them and have the necessary equipment to do so.

Distribution may be via a traditional localized broadcast, or more commonly is specifically targeted to devices known to be in a particular area.

The location of a device may be determined by:

- A cellular phone being in a particular cell
- A Bluetooth or WiFi device being within range of a transmitter.
- An Internet enabled device with GPS enabling it to request localized content from Internet servers.

Communications may be further targeted to specific groups within a given location, for example content in tourist hot spots may only be distributed to devices registered outside the local area.

Communications may be both time and place specific, e.g. content at a conference venue may depend on the event in progress.

Uses of proximity marketing include distribution of media at concerts, information (weblinks on local facilities), gaming and social applications, and advertising.

Bluetooth, a short-range wireless system supported by many mobile devices, is one transmission medium used for proximity marketing. The process of Bluetooth based proximity marketing involves setting up Bluetooth "broadcasting" equipment at a particular location and then sending information which can be text, images, audio or video to Bluetooth enabled devices within range of the broadcast server.

It used to be the case that due to security fears, or a desire to save battery life, many users keep their Bluetooth devices in OFF mode, or ON but not set to be 'discoverable'. Because of this, often regions where Bluetooth proximity marketing is in operation it is accompanied by advising via traditional media, such as posters, television screens or field marketing teams, suggesting people make their Bluetooth handsets discoverable in order to receive free content. A discoverable Bluetooth device within range of the server is automatically sent a message asking if the user would like to receive the free content.

Current mobile phones usually have bluetooth switched ON by default, and a majority of users now leave bluetooth switched on for easy connection with car kits and headsets.

Some implementations of Bluetooth proximity marketing require users to run Java applications on their phones to enable them to receive content this has the advantage that only those who choose to will receive content. Others require no handset-side software.

The diversity of mobile phones is huge. Screen sizes and supported file formats varies greatly. To obtain the optimal user experience with Bluetooth Marketing, the Bluetooth system must be able to automatically recognize phone models and deliver the proper content automatically.

3.3.5. Future of mobile marketing

According to a survey conducted by a mobile marketing provider, approximately 89% of major brands are planning to market their products through text and multimedia mobile messaging by 2008. One-third are planning to spend about 10% of marketing budgets through mobile marketing. Also, in about 5 years over half of brands are expected to spend between 5% and 25% of their total

marketing budget on their mobile marketing. Already, 40% of the firms that responded have implemented this feature for their audiences.

What will and already has given mobile marketing's attraction are: the ability to reach a specific target audience; information about how the user responded to a marketing message; and proof that a message has been received by the user's handset.

According to the MMA "Mobile Marketing Association", The third generation wireless service (Mobile 3G & 3GPP) promises to provide high data speeds, always-on data access and greater voice capacity. The high data speeds enable full motion video, high-speed Internet access and video-conferencing, and are measured in Mbit/s. The data transmission rates range from 144kbit/s to more than 2 Mbit/s.

Conclusion

After this study, there is the evidence that the new marketing techniques could be efficient. New technologies are a big tool for the firms if they know how to use them. Facebook, Youtube, cell-phones marketing are improving their marketing techniques through innovative advertisement networks.

In the case of the social networks, companies should utilize, for example, Facebook and Myspace to spread the message advertisers are aiming for. It is one of the cheapest ways to reach the target and one of the best for segmentizing the population.

Youtube is actually a media used by advertisers and the Internet users to broadcast the information to countless viewers. The lack of explicit censorship aids marketers in supplying the audience with the clearest message. In addition, there are no time limitations like are enforced on television.

Cell phone advertising is still quite new. The creativity behind it is still undeveloped compared to other forms of marketing. Marketing departments of companies would benefit gradually from using the method of reaching potential customers instantly through cell phone notifications.

Buzz marketing is definitely one of the most efficient tools of advertising. The efficiency of this method comes from the fact that you can reach a limitless amount of people with a very little cost involved.

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