Business Strategies on Facebook

What strategy should Pay2n use to make the most out of Facebook's potential?

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ABSTRACT

One of the most popular social medias is Facebook, today, also a new market for companies. As Facebook can be compared to a market, would not a strategy be needed for a company entering this market? The thesis will bring up possibilities and advantages with Facebook and help companies, in particular the organisation Pay2n, how to strategically create a Facebook page. Literature about strategy and social media is the main focus that is applied on the empirical material, based on interviews with an employee, from Pay2n. There are also practical examples from other companies' Facebook pages that will show success or failure on Facebook. The analysis describes how competitive strategies, generic strategies and communication strategies should be applied on Facebook and how these will permeate each other and in the end be useful for Pay2n. Pay2n could gain a lot by using the feedback from customers on Facebook to develop and transform their product. Strategy on Facebook is about to believe in something, and decide to join or not, as for any business investment. Without a strategy, Facebook seems not useful.

Keywords: Strategy, communication, organisation, social media, Facebook, Pay2n

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1. INTRODUCTION

"Many have argued that the Internet renders strategy obsolete. In reality, the opposite is true. Because the Internet tends to weaken industry profitability without providing proprietary operational advantages, it is more important than ever for companies to distinguish themselves through strategy. The winners will be those that view the Internet as a complement to, not a cannibal of, traditional ways of competing" (Porter, 2001, p. 2).

Porter wrote those words already in 2001, 12 years ago. The development we have seen through the Internet over these twelve years is probably way much wider than Porter could ever expect. Today, Internet is a very wide and well-used platform for communication and integration. One of the most popular sites is Facebook, with over one billion users, (TT, 2012) and is also listed on the Nasdaq stock Exchange (Newsroom, 2012). According to Ström (2010), not only people are members; it has become more common that even organisations are represented in this context. Facebook has emerged to a platform that can be compared to a market where people can talk to each other. A market where even companies can promote themselves and you can create your own profile.

Pagero is a company that is developing a new product called Pay2n. This product aims to be its own company in the future and is at the moment establishing on the market. Since Pay2n has been active during one year, they have been promoting themselves as well as they have entered the Facebook market. Although they do not seems to have a plan for Facebook. Imagine a new company entering the physically market, they will have targets and visions to reach by acting on the market. A strategy is probably created and implemented to reach these goals and visions. As Facebook can be compared to a market, would not a strategy be needed for an organisation as Pay2n, when entering this market?

Listed and well known companies have had challenges of reaching success on Facebook, and examples can be found in newspapers and are currently discussed a lot in media. Is it not time to actually face the new market Facebook, and make the best out of it? Why does it seem so hard? Let us investigate the companies exemplified and if there is something to learn from them. Will their mistakes make it easier for a new organisation as Pay2n, entering Facebook?

And will this, with help from strategy theories, make a new company successful on Facebook?

1.2 Background

In February 2013, H&M lost credibility by not being able to handle customers' criticism on their Facebook page (Uppdrag granskning, 2013). In December 2012 an incident happened on H&M's Facebook page. There was a post commented on a print of an H&M sweater, which resulted in 5000 offensive comments. Many comments were removed immediately, but far from all. By 5000 offensive comments to the post, H&M choose to remove only 3000 of these. When the Swedish TV program "Uppdrag granskning" criticized H&M for this, they were unable to answer why they did let 2000 of the insulting comments remain in the post (Hansson, 1, 2012). H&M outs that the marketing department has failed to remove some of the offensive comments and that they do not have routines for these incidents. Did this situation occur because of the lack of strategies for Facebook? There are also other examples that can be analysed, such as Liseberg and KLM, which will both be presented later on in the essay. Did they fail or succeed because of the lack/existence of strategies or was it something else?

Pagero is a worldwide company that offers cloud based e-invoice, e-order and e-payment services. Pagero brings companies together digitally regardless of business system, size, location or volume. All services are performed on their platform Pagero Online, which is a global business network. They offer easy, safe and cost-effective communications between organisations with local or global presence (Pagero, 2013). During the last year, Pagero has developed a new product called Pay2n and during the last year, Pay2n has made a tour to different universities around Sweden. This was our first meeting with the organisation, which opened up our minds and interest for Pay2n as a product. The idea was something new and interesting. It was also clear that Pagero had spent a lot of money for marketing Pay2n during this campaign. After further research on the Facebook page of Pay2n, we realized that the page was undeveloped, not up to date and had few followers. Since we already knew about H&M and other examples, our interest started to grow even more and we wondered how could such a modern, technical and innovative organisation not be more active on Facebook?

During the fall, Johanna (one of the essay writers) started to work with Pay2n and got an even deeper insight in the organisation5. By then, it was clear that Pay2n had no strategy for their work on Facebook and we wanted to investigate if, and also how, a strategy could help them to build up a successful Facebook page.

1.3 Problem statement

As we can see above, Porter was talking about Internet and its potential already in 2001. Should it not be a problem that companies still do not know how to manage the platform Facebook that has developed during the past years?

It is more important to be seen in social media nowadays, because of its development and because of its width. Different kinds of platforms, especially Facebook, have diverse possibilities for companies to be successful. We wonder if companies have enough knowledge to use the potential of Facebook. It might be a disadvantage if the company does not know how to manage Facebook and its potential. Of course companies still have the opportunity to choose whether they want to enter the market or not, but wanting to reach success requires a bit more than just maintain the current market. Something else is needed and Facebook offers a lot of possibilities.

As said earlier, we are cooperating with Pagero that has developed a product, Pay2n that is still not established on Facebook; neither got a strategy for the platform. Therefore, we would like to use Pay2n and investigate if a strategy could help them take advantage of Facebook's potential and to avoid getting in the same situation as H&M? It is obvious that the situation that occurred with both H&M and even Liseberg, has caused them problem. The thesis will hopefully be helpful both for Pay2n and also for companies in a similar situation. The essay opens up for future possible studies to analyse how the strategy actually worked out for Pay2n.

There is plenty of literature about strategy, but strategy for social media is not as easy to find. However, we want to integrate the theories of strategy with theories describing social media, and hope for a guideline to handle this new and unknown area.

1.3.1 Research question and sub questions

How can an organisation use a strategy to make the most out of Facebook's potential?

To answer this research question, it needs to be divided in to sub-questions, which later will be discussed in different parts of the essay.

What is a strategy?
What advantages can be useful on Facebook?
How can a strategy be applicable on Facebook?
How can Pay2n use a strategy on Facebook?

1.4 Purpose

The purpose of this report is to explore Facebook strategies and to help companies strategically use Facebook's potential. It will mainly focus on the organisation Pay2n, but hopefully, it will be useful also for other companies.

2. METHOD

This chapter describes how the thesis has been created. First, the choice of what primary material used is explained. Thereafter, the review of theories is described followed by how the references were chosen. Finally, the choice of case is justified and what limitations had to be done during the process.

2.1 Primary material

A qualitative data research strategy has been used. This research method was chosen instead of a quantitative, to get a deeper insight in one particular company. We believe the report is more interesting by getting a deeper insight in one company instead of investigating different companies. Then, all available resources for this essay could be focused on Pay2n, to be more helpful for them.

Further, the design of the thesis is based on a case study, where the project Pay2n is the object of the case study. The method is done by semi-structured interviews with an employee at Pay2n. This means that the interview questions are based on the theoretical framework but with the possibility for the employee to answer those in its own way based on own experiences and thoughts. Through semi-structured interviews, some deviation from the main questions is allowed and that gives the empirical material more deep information (Bryman & Bell, 2003). A close and continuous dialogue has been held with the company. The secondary materials in this essay are three other cases, which are H&M, Liseberg and KLM. Those are chosen to point out cases where problem or opportunities has taken place on Facebook. These three cases are examples on how completely different companies with a varied business focus and size can operate on Facebook, H&M as a clothing company, Liseberg as an amusement park and KLM as an airline company. With this information available, Pay2n can be compared with the actual examples and get help of best practice and disadvantages. H&M is an example of the fast spread on Facebook, Liseberg is an example for how the actual marketing can be discussed on the forum of Facebook and KLM shows Facebook's potential as a service centre. Depending on where Pay2n wants to reach, those examples can give them some guidelines on what Facebook actually can provide and problems that can occur.

It has to be mentioned that we have not been in contact with the organisations H&M, Liseberg or KLM and we do not know their strategies, if there are any, for social media. Our examples have been directly taken from media and their Facebook pages and other webpages or articles about the actual occurrences. We consider those sources are enough to highlight some actual "problem" about strategies and Facebook. Norén (1990) claims that the empirical data can be analysed with help of theories. Therefore, the object of research for this study is how the theories of strategy can create understanding of the empirical material, selected from Pay2n. Our data comes from different sources, unconnected with each other, and thereafter compared and discussed. This choice of method made us complete a synthesized structure of the thesis (Bryman & Bell, 2003).

2.2 Review of theories

In the start up, business literature about strategy and social media were collected. The selection of books was based on the keywords: strategy and social media. To use as an effective method as possible we have also been enlisted the help of some books of method.

The available literature has been compared to see which ones are the most useful in our case. To see if there have been any earlier studies in the same area, articles have been searched for in the databases available at the University of Gothenburg, mainly Business Source Premier and Libris. In addition, complementary data has been selected. Those cases are as earlier mentioned, short examples about H&M, Liseberg and KLM. The information about the cases was collected from their own Facebook pages and from interviews and articles on Internet about the companies.

2.3 Choice of references

The selection of theories about strategy is based on the theories applicable on Facebook. The literature was selected with the aim to answering the research question: *How can an organisation use a strategy to make the most out of Facebook's potential?* The research question has helped us keep the direction of the thesis. Therefore, the focus was to keep the research question as clear and understandable as possible (Bryman & Bell, 2005). The existing literature about strategy for Facebook seems to disregard some aspects that can

improve the phenomenon questioned in the problem statement. Because of that, this essay has a so-called "insufficient discussion of problems" (Golden-Biddle & Locke, 1997).

Further, the literature selection is based on how often the theories are quoted, timeliness, methodological quality, if it is a unique study and if our arguments are consistent with the literature or not. A handful couple of books are used about strategy, social media, planned communication and how to control and develop an organisation. The theories about strategy are partly based on Porter's and Mintzberg's works and have helped us identify how an organisation creates a strategy to reach a specific goal. We have also used some articles and books written by Henry Mintzberg. To supplement those older theories with newer, some new articles that concern the topic strategy and social media are selected. Because our problem statement is a quite new phenomenon, there are more articles than books available. What is written today, with additional basic facts about strategy, can help us a lot in the case of analysing Pay2n. Therefore, the area of strategies for Facebook had to be investigated to find out what was already written in the area.

When searching for articles, similar subject as our essay and the same claim as above have been investigated. However, we have not found exactly the same. Many of them are focusing on specific issues and so is also our. Since some of the selected articles are concerning our chosen topic, they were to some extent helpful. As mentioned before, the topic is a new phenomenon and not as many articles as for the traditional essay topics within management are available. This makes our topic even more exciting.

2.4 Choice of case

The object of research is Pay2n, which is a product developed by the company Pagero. Pay2n has also a newly started Facebook site that has been investigated in our case study. We have implemented the collected theories on Pay2n in order to optimize their existence on Facebook.

Pay2n belongs to them that are new on the platform of Facebook. Because they have no plan set up or no knowledge on how to handle Facebook, we were asked to help them out in the beginning phase. The decision of writing the essay with the aim to help Pay2n was based on

discussions with the organisation. It was in both their and our interest to do the research. We wanted to get an answer to our research question and Pay2n wanted to succeed with their Facebook page.

2.4.1 Design of the case study

We wanted to find out which strategy Pay2n would need, depending on whom they are and whom they want to reach. How could we place Pay2n in the literature about strategy and social media?

After reading the selected literature and articles about strategy and social media, a couple of questions were created to Pay2n. Those questions were created with the aim of making the literature applicable on Pay2n. The theory chapter, chapter 3, of the essay was created before the interview. Therefore, as much information as possible were available before the interview and could be as informative, theoretical and comprehensive as possible.

The prepared questions were sent to Julius Nilsson, product manager at Pay2n, in advanced so he could consider them in preparation for the interview. The questions were answered of Julius Nilsson orally and the essay writers took notes. The interview was also recorded and answers could be listened to and discussed in retrospect.

We have had personal meetings, e-mail and phone contact with Julius Nilsson. The aim was to have a continuous and open dialogue but due to his schedule it was hard to set out continuous and visual meetings. Therefore, a couple of telephone meetings were held and also a more well prepared interview in the beginning of May when all the literature was collected. It was more helpful to formulate questions to Julius after knowing which theories were available. When the answers were collected, it was clear that some theories were not needed in order to find answers to our research questions.

2.4.2 Validity of the case study

Since the case study is based on a qualitative method, the validity of the case study needs to be proved. There is no meaning to prove the reliability since that measures the absence of random measurement error, Norén (1990). There are no measurements like that performed in this case study.

The fact that Pay2n is a new and not fully developed organisation, the choice of contact person was limited. The reason that Julius Nilsson is our only contact person is because he is ultimately responsible at Pay2n and has the most insight in the working process of Pay2n. Today, Pay2n has no detailed organisation structure. However, there are five people involved in the process in total and of course there are organisational work, yet more as a project. Julius is the one at Pagero who spends most of his working hours with Pay2n. Because Julius Nilsson is the only source from Pay2n, we are aware of the fact that Julius is subjective when he reports about Pay2n on Facebook. This should be kept in mind when analysing this report, but because the purpose to help Pay2n, it would be impossible to not take Julius' own thoughts in to account. Where Pay2n wants to reach and what Julius thinks about Facebook's potentials, is highly relevant for this study. However, it would be interesting to get another perspective from another person involved in the project of Pay2n. But as said earlier, because no one has the same knowledge about the process as Julius, it was not possible.

The fact that Johanna is an employee at Pay2n also makes the case special. To not characterize the case study with own opinions, the answers from Julius have been described exactly as he said. Further, both Julius and another employee at Pay2n have approved everything written in the essay.

2.5 Limitations

The report had to be limited within the choices of strategy, social media, case study and articles/earlier studies. Those limitations are presented below.

2.5.1 Strategy

The essay has the aim to answer the research question and with that in mind, the question has to be limited in order to be answered within the time-schedule. Different models of strategy are well known. These models are for example PESTLE, SWOT, 4P and Porter's five forces. Even though they are well recognized, we have opted out those, since they are not as easy to apply on Pay2n and Facebook. PESTLE is a kind of scanning the micro-economical factors. Firstly, this seemed like an interesting point of view but after finding many theses already written about this area, we wanted to give our thesis a new perspective. The same analysis was made of SWOT and 4P. Porter's five forces model is mainly focusing on the company's product and services and not the company's existence and its circumstances in its branch.

2.5.2 Social Media

Facebook is the only social media focused on in this essay. We have not been able to describe the different social media platforms that are not discussed. Because focusing on Facebook as a social media, also the platform and its advantages and disadvantages had to be explained. This information was selected from sources about social media and more specific Facebook. There are many kinds of social media running right now, which makes it impossible to handle all of them in an essay like this one. Facebook is the most used and well-known social media today, which made our decision easy.

The reason why not including any other social media than Facebook is also because Facebook is the only social media that Pay2n is active on. Therefore, there would be no need to investigate other social media platforms.

2.5.3 Case study

The purpose is partly to help the company, Pay2n, with their strategic work with Facebook, and therefore we want to concentrate in only one company because that will give them more specific and interesting information. In addition, the time is limited and we would not be able to make a deep research if we were going to do semi-structured interviews with more than one company.

There are a lot of articles available concerning a similar subject as our. However, when selecting sources we have tried to find the ones that are the *most* similar to our topic and problem statement. We have not found any essay focusing on exactly the same area and of course not the specific case of Pay2n.

3. FRAME OF THEORETICAL REFERENCES

In the frame of references, the theory of strategy and its different concepts is described. Within the area of strategy, strategy is defined by competitive strategy, generic strategies and communication. Thereafter, the chapter about social media describes Facebook and networking strategy, which provides a deeper knowledge and understanding of the platform's potentials and advantages. Finally, earlier studies about strategy and the Internet are presented to show similar works within the subject of this essay.

3.1 What is strategy?

"Having a strategy is a matter of discipline. It requires a strong focus on profitability rather than just growth, an ability to define a unique value proposition, and a willingness to make tough trade-offs in choosing what not to do" (Porter, 2001, p.11).

There are different kinds of definitions about strategy and the meaning of strategy. Depending on whom you are asking, there will always be different answers. In the following paragraph, different recognized authors will define strategy. Another of Porter's definitions of strategy is as follows "Strategy is the creation of an unique and valuable position, involving a different set of activities. If there where only one ideal position, there would be no need for strategy" Porter (1996). According to another author of Management, Roos, von Krogh, Roos (2004), the definition of strategy is a series of planned actions created in advance with the aim to achieve a specific goal. Also, Roos, von Krogh, Roos (2004, p.16) refers to the founder of Boston Consulting Group, Bruce Hendersen, who says that "Strategy is a deliberate search for

a plan that develops and strengthens the company's competitive advantages. Each company is one such candidate in a recurrent process that begins with a confirmation of where the company stands today and right now are facing. The most dangerous competitors are those that are most similar to their own company".

In order to describe the concept strategy, Porter (1996) is using a couple of theories that can be helpful to figure out available strategies, depending on what kind of company and its visions and goals. Following, a selection of those theories, competitive strategies and generic strategies, are going to be defined.

3.1.1 Competitive strategies

According to Porter (1996) competitive strategies are needed to define a strategy for a company. This has to be taking into account before setting up a strategy. Wanting to be a successful company also needs some work before you will reach there. There are both target population, circumstances, competitors and your own resources to have in mind. As Porter says, "Competitive strategy is about being different. It means deliberately choosing a different set of activities to deliver a unique mix of value" (Porter, 1996, p.64). Today, it is not only about doing your business in a good way; it is about doing it better and different from others.

Positioning

To understand above quote the concept "position" has to be identified. A way of competitive strategy is strategic position or just positioning. By positioning, a company choose activities that are different from rivals. Porter (1996) divides positioning into three different distinct sources, which are presented as Variety-based positioning, Needs-based positioning and Access-based positioning. Variety-based positioning is based on the corporation's choice of products or services instead of the choice of customers. This can make economic sense for the company if they produce the product that they best can produce instead of producing different ones. Needs-based positioning is about targeting a specific segment of customers. The last positioning, access-based positioning is based on segmenting customers who are accessible in different ways. Even if they are within the same target group, it is different configurations of activities that reach them in the best way (Porter, 1996).

Roos, von Krogh, Roos (2004) is also discussing the concept of positioning. These authors mean that strategy as a position focus on the company in relation to its surrounding, for example geographical scope of the market and market share. Depending on the company's position on the market and its pros and cons compared to the most important competitors, the choice of strategy is based.

Further, Bengtsson & Kalling (2012) discuss positioning as a concept of strategy as well. They are also referring to Porter as the main strategy researcher. As (Porter, 2004, p.3) writes in the opening phrase in *Competitive Strategy:* "The essence of formulating competitive strategy is relating a company to its environment", Bengtsson & Kalling (2012) bases their chapter of this quote and the rest of Porter's theories of positioning, mentioned above.

Strategy as a process

Managers should be able to work with strategic development with commitment and intimacy. Instead of starting with formulating a strategy and then implement it, the strategy should be implemented through organisational support of the development of the strategy of the company Mintzberg (1987). Instead of a strategic management group, where the top management plans the different changes, there should be a diversity of strategists and strategies on different levels within the company. Strategic scenarios, unilaterally planned from the top of the company, are likely to encounter various forms of resistance from those who will perform the change, the rest of the staff. Bengtsson & Kalling (2012). Meyer & Rowan (2002) do also stress this problem and have even named it to "disconnection" as an important problem that needs to be taking into account when decisions within organisations are made.

Donald A. Schön, means that all social systems are "dynamically conservative". Organisations' and individual's surroundings are no longer stable states; new technology and other changes is characterizes our everyday. Because of that, organisations need to be learning systems that can be easily altered. All parts and individuals of an organisation therefore needs to be involved in the process of changes, including changes and development of strategies (Schön, 1983).

Trade-offs

Furthermore, to understand above definitions of strategy, the "choice of what not to do" also needs to be identified, also called trade-offs. When choosing a way of activities (a certain competitive strategy including positioning or differentiation) a trade-off will occur when the activities are not incompatible. This means that the choice of one activity necessitates less of another. According to Porter (1996), trade-offs arise for three reasons: 1) Inconsistencies in image or reputation, which means that a company should focus on the one value that they have credibility for and not focus on others. 2) Trade-offs arise from activities themselves which means that different activities also needs different efforts in terms of material, equipment, employee, skills etc. When starting focusing in one area, it is harder to change to another because of the different needs of efforts. 3) Trade-offs arise from limits on internal coordination and control. When not having a clear framework including the choice to complete in one way instead of many different, company risks confusion and decisions may risk to be based on unclear priorities (Porter, 1996).

3.1.2 Generic strategies

To cope better than the average competitors, the company should choose a clear generic strategy, either separately or in combination with each other. Porter (2004) approaches three successful generic strategies named overall cost leadership, differentiation and focus.

Overall cost leadership

To match the competitors, overall cost leadership means to offer the same product to a lower price than the competitors. In order to be a cost leader, the company must invest a maximum of cost-cutting or cost-minimizing measures (Roos, von Krogh, Roos, 2004).

The cost leadership strategy is particularly advantageous in an industry with strong competition, not least if the demand is simultaneously price sensitive, which means the demand for a commodity decreases in correlating pace with the increase in price (Porter, 2004).

Differentiation

According to Porter (1996), a strategy rests on unique activities. This means, to be a competitive company, you need to differentiate among your rivals. The strategy of differentiation occurs when a company gives products unique and qualitative properties, which clearly differ from competitors. The uniqueness can be proved by design, technology or customer service. This position can increase margins by a higher price accepted from consumers who feel they purchase a somehow exclusive product (Porter, 2004).

According to Porter (2004) the overall cost leadership and differentiation strategies cannot work together because the strategy can turn out to be "stuck in the middle". Porter calls these two strategies mutually exclusive and by using both, companies tend to get lower gains.

Focus

The third generic strategy called "Focus" is on the other hand not mutually exclusive. This strategy focuses on a certain target group, a part of a product or a geographical area. Therefore, the strategy of focus can be combined together with either cost leadership or differentiation.

The question "what is strategy?" can mainly be answered according to above definitions of strategy. According to Porter (1996), a strategy involves a whole system of activities, which are described above. Therefore, strategy is about combine activities. A company's competitive advantages come from the way its activities fit and strengthen one another. "Strategy is creating fit among a company's activities. The success of a strategy depends on doing many things well, not just a few, and integration among them" (Porter, 1996).

3.2 Social media

The definition of social media tends to be different according to various authors. Social media is a part of the concept social networking, which is defined as, a social networking site that exists to connect people to form an online community. The online social network widely offers users to improve their profile and to extend and strengthen a person's or a company's community. The different type of social network platforms also give the users a lot of

concrete possibilities such as connection between users as "friends" and "followers", messaging between users, status updates, forums for discussions and a lot more (Townsend, 2011).

Heather Townsend (2011) is presenting different kinds of online and social networking such as Twitter, LinkedIn, Facebook but also other types of online forum, not as famous as the first three. Comparing the biggest online networks, Twitter, LinkedIn and Facebook shows that Facebook is the one, which has got the most users, over one billion users to be more specific (TT, 2012). According to Smartermarketing (2013), Twitter has got over 200 million users and so does LinkedIn. According to Facebook (2013), Facebook was established in February 2004 and has grown rapidly since then. Ström (2010), is writing about Facebook and is during that year, 2010, presenting the users of the platform as 300 millions. That is a huge expanding in comparison to TT's information about one billion users in 2012 (TT, 2012). The development of users makes it possible to believe that Facebook has got a lot more than one billion users today.

3.2.1 Facebook

According to Townsend (2011), Facebook has become a tool to rapidly connect to someone you like and in that way keep in touch. The majority of the Facebook users are in the ages between 18-34 (Inside Facebook, 2013). As well as there are personal accounts; Facebook even allows companies to use business pages. It is in that way easier to build up a professional community for the company. Since Facebook, according to Townsend (2011), is the biggest network and because this report will be based on Facebook as a social network, it might be relevant to present Facebook and its possibilities for its users. There are different ways in how to use the platform. According to Ström (2010), you can either have,

o   An account as a person with friends
o   A group with members
o   A page with followers
o   An event with attenders

An account as a person or a company might be the most common way to appear on Facebook, but there are also possibilities of having a group where you can invite members. This is possible for either a private person or a company. Having a group makes it easy to communicate, and the owner of the group can always reach the members specifically. A page on Facebook is rather different from a group. A page is more likely to be more as a place for marketing, like a webpage, but on Facebook. Therefore, companies who want to take advantages of the pages' possibilities, more often creates pages. It is possible to share information, links, movies and pictures and also possible to have a direct communication with people that are following the page, so-called "fans" or "followers". To sum up the possibilities for people and organisations on Facebook, you can also make events and invite friends (Ström, 2010).

According to Ström (2010), there is even more ways to be seen on Facebook. It is possible to make ads that can be directly pointed out to specific members who have some kind of interest. Those members are sorted out depending on their interests.

When it comes to knowledge and use of social media, you can see major generational differences. The young people are taking a much greater extent and also have greater knowledge of social media (Sveriges Radio, 2010).

Facebook in business

Most of Facebook's possibilities are presented above, but there are still a lot more to work with if a company aims to maximise their effectiveness on Facebook (Townsend, 2011). Nicholls (2011), is presenting that a business has the possibility to create its own and unique Facebook page and connect links to the company's website. Facebook also makes it possible for organisations to reach their customers by adapting the advertisement for each unique customer. The platform is cost-effective because a lot of advertisements are all for free. It is also connected with a very low risk. Nicholls (2011), also describes the possibility on Facebook to create awareness of your company by analysing your customers, increasing sales, building your sales list and also be able to always be connected to the customers. It is a very effective way of measuring a company's progress and status among its customers. The only way that Facebook is associated with costs is the cost of time that is needed to gain knowledge about the platform.

Maxwell (2012) is writing about how Facebook can make it pay for your business. He is referring to the UK, where 65 per cent nowadays are using social media to promote their company.

3.2.2 Networking strategy

As written above, there are a lot of possibilities within social network and especially Facebook. According to Townsend (2011), it therefore becomes important to have a plan and strategy to handle and be successful on Facebook. Since this report is based on Facebook, these strategies will also be applied on Facebook's network. Nicholls (2011) is pointing out the fact that Facebook is an actual market with so many users that it is necessary to be there and also having a strategy of how to reach effectiveness. According to Townsend (2011), it is important to take advantages of the different tools and techniques that are offered within the network. Knowing this makes it easier to go further and starting to build a strategy. The first steps that have to be set are the goals and objectives of being in the network, and also how and why the company wants to be there. There are also such things as identify the need of actually being there and analyse the current network outside Facebook to make sure you will get more out of being on Facebook. After doing this, the company must decide how to measure effectiveness on Facebook (Townsend, 2011). Wilson, James, H. (2011) describes an example where a company has succeeded by using social media. The example is when Ford returned to the USA market again during 2009. By planning and producing updates regularly and by integrating costumers in different competitions about the new car models, they managed to increase the knowledge about Ford. It took about six months to reach 60 000 posts from followers and more than 4,3 millions of views on YouTube. The campaign was worth 5.000.000 dollars and increased the brand awareness with 37 per cent.

Ang (2011) is presenting the value of being in social media. There are mainly two basics that have to be considered before using a social media strategy. At first, it is important to handle customers that are already connected to the company's Facebook page more effectively. Second, connect as many as possible that are in the community to your Facebook page. That will make your customer base grow on your page. There are many different ways to achieve these two objectives and Ang (2011) is summarizing four major pillars that social media relies

on. These four are connectivity, conversations, content creation and collaboration.

Connectivity is, according to Ang (2011), about making social media to a large community with a lot of users. The most important is to make people connected to the platform in some way. This connection makes it easy to communicate and connect to each other. Facebook is an example where it is possible to send a friend request and thereafter even see what your friend's friends are connected to. Connectivity creates **Conversations.** Conversation has earlier been about e-mailing but now conversation through Facebook is a lot more common. Facebook makes it possible to update information on the "News feed" which is more sophisticated than e-mailing. This kind of sharing simplifies integration between members and updates like who has "friended" whom, who updated their marital status and who "likes" a page. These kinds of alternatives encourage people to respond and create exchanges. **Content creation** is the third of the four pillars in social media and Facebook. People like to create and share content to each other. A lot of possibilities like blogs, diaries, forums, pictures and videos make it easy to create and share. Doing this in a good way might lead to comments and discussions, which in turn attract a lot of members to join. With good conditions like the opportunity to create content and having the possibility to have conversations it also becomes natural to **Collaborate.** Collaboration in this case means that a lot of members can work together to finish a project. This requires a specific online destination where they can come and work together. Wikipedia is such an example.

Knowing about these four pillars mentioned above, Ang (2011) means that a company is ready to actually start using the different opportunities in social media. The following statements of Ang (2011) will describe how companies are able to work ore practically:

- *Market research and public relations* - Through conversations, organisations can find out what their customers like and dislike about their products or services. People like to share their experiences. Word of mouth is much easier to handle through the Internet than offline. It makes it possible to find positive and negative comments. That makes it important to actively monitor all conversations. Whether it is positive or negative comments, they have to be cared about.

- *Nurturing of opinion leaders and advocates* - This is something that is necessary to work with. Managing to make a group with a special opinion will increase the sales when the majority has got a specific opinion. One way to create these kind of groups is to have a widget on your webpage that makes it possible to "like" your page even here. This in turn will show up on people's personal pages on Facebook where even more people can see it.

- *New product development* - Besides the fact that it is possible to communicate with your customer in social media, it is also possible to use them for product development. It might be a challenge but when managing it is most likely to be a great development because of the including of the customers. Opening for ideas from customer also makes them feel more involved and important.

- *Lowering the cost-to-serve* - It is possible for organisations to use the community to decrease the costs. The opportunity to communicate directly makes it possible to save money from communicating through other channels.

- *Building brand loyalty and sales* - Through social media it is possible to build your brand and increase the awareness of the brand. Companies can send new information quickly about new initiatives, new products and information.

Knowing the possibilities above will make it easier to make it profitable for your company being on Facebook. As follows, Maxwell (2012) has collected some practical advices and a couple of steps that will help a company further.

1. Compelling content

Once you have decided to set up a page on Facebook you must know that the "likes" will not come for free. There must be something on the page that makes it worth for customers to "like" the page. For example an online chat where it is possible to ask questions, or where the content is very interesting which makes the customers visit the page. The content can be pictures and information that makes the customers believe that they get access to special information.

2. Eye-catching content

Eye-catching content is important for making visitors come back. Example of eye-catching content can be product discounts, competitions, coupons and offers about giveaways. It is important to have prices and giveaways that are relevant for your business. That makes it easier to keep the "right" customers.

3. Promote your page

If you have set up a Facebook page with relevant content it is also important to promote the page to increase the visitors. It is possible to promote the Facebook page even outside Facebook with the Facebook-widget. It is an icon that you can use on your regular website that will connect visitors to your Facebook page. Make sure the widget is visible.

There is also a possibility to promote your page outside the web. With Facebook icons in connection to your physical store if there is one, it is possible to let customer photograph this and then upload on Facebook in exchange for some discount for example.

4. Plan your updates

A common thing when a company is starting up something new is the priority to focus on this new thing. Later on, it is not as interesting anymore and the updates and content will not be as actual as it was earlier when the interest from the company of maintaining the page is decreasing. If this happens, it might affect your brand negative. An advice from Holloman in the article would be to use a calendar where you plan how and when you are going to post something.

5. Involve the whole company

Make sure that there is not only one department of the company that is involved in the updates. It might not be enough of time if for example the market department has got the whole responsibility. A better way would be to share the responsibility between the departments to make sure that there will be updates, and also to have some variation in the content. It must also be said that it is important for the CEO to know what is happening in the whole company, which also includes Facebook.

6. Involve your fans

It is important to get your customers or "fans" involved in what is officially happening in the company. That will make them even more engaged and motivated to like the Facebook page. One example is to ask your fans about their opinions when producing a new product or about new ideas.

7. Do not sell

When having a wide range of customers on Facebook, you will have to take care of them and not use them directly for selling. The company must keep in mind that the main reason for people to be on Facebook is to handle social relations and not be a target for selling. That is why it is important to be careful with the fan relations. It is also important to respect the fact that Facebook makes it possible to have conversations with customers that are public. This means that even negative comments in conversations must be treated and answered as soon as possible just to show that you care about your fans.

The risk of not having a networking strategy

There are a lot of advantages presented about Facebook. But, are there only positive aspects about being on the platform? Maxwell (2012) is mentioning that there is a risk with not having a strategy. In comparison to the cost in time of being on Facebook, it might be a cost for a company to be on Facebook but not be able to handle it - "the cost of ignoring". There might be consequences of being represented but later on not having the resources to communicate and be online. What if people are talking about your brand and you do not have the possibility to respond to that? Christer Holloman, author of The Social Media MBA, is interviewed in the article about the fact that people will keep talking about your company if they will not get an answer or a solution after asking a question. That might be turned to something negative instead of something positive with being on Facebook. Charlotte Britton, managing director of the media agency Optimum Exposure, is saying that these risks presented above are incitements to why a company needs to have a Facebook strategy (Maxwell, 2012).

Wilson, James, H. (2011) is also discussing the consequences when a company lacks a social media strategy. It is very easy that when just started, working rapidly makes it hard to control the development of being in social media. There is a risk that there are not enough resources to handle the development and that it fails rather than succeed.

3.3 Earlier studies of strategy and the Internet

In *Strategy and the Internet,* Porter (2001) discusses the importance of strategy on the Internet as a new tool for success. The article does not focus on social media, thus social media was not even a common concept in 2001, when the article was written. Therefore, this is not an earlier study of an identical topic. However, the article is useful because it concerns the topic strategy and Internet as a tool, and social media is a development from Internet as a tool. The article applies Porters earlier studies of strategy on the case of Internet, which is useful also for this case when strategy is applied on the case of Facebook.

Porter's analytical ability increases even more from this article because of his early thoughts in this modern area. An example is the following quote (Porter, 2001, p.13); "In the record industry, for example, online music distribution may reduce the need for CD-manufacturing assets. " In 2001, the downloading of music has just started and as we can see today, in 2013, the use of CD's has totally decreased at the same time as the use of digital music has increased (SVT, 2013). This quote of Porter was therefore a true assumption and makes *Strategy and the Internet* even more interesting.

Porter do not only mention the potentials of Internet, he is also writing about how the Internet as a tool can damage your firm's strategic positioning. Therefore, he brings up a key on how to use it most effectively. *"Integrate* Internet initiatives into your company's overall strategy and operations so that they 1) complement, rather than cannibalize, your established competitive approaches and 2) create systemic advantages that your competitors can't copy." Further "The question isn't whether you should use the Internet or traditional methods to compete; it's how you can use *both* to your greatest strategic advantage" (Porter, 2001, p.1).

What is interesting about this is that even if Porter is a traditional and experienced strategic author that has been writing books and articles in decades, he thinks Internet is a "must-tool" for organisations to compete. It is not a question of "if"; it is a question of "how" to do it. Companies need to use Internet to enhance distinctiveness of their strategies instead of deploying the Internet on a stand-alone basis. Internet should be a part of the company's overall strategy and the most successful companies will be those that through Internet make the traditional activities better. Also, those that through Internet implements new

combinations of activities that were not previously possible, will be the successful ones. Porter (2001)

As mentioned before, Porter (1996) is writing about the importance of competitive strategy and positioning. In this article, Internet's affection on operational effectiveness and strategic positioning is affected. Porter (2001) consider internet to open up new opportunities for achieving a distinctive strategic positioning but also makes it harder to sustain operational advantages. Finally, (Porter, 2001, p.18) states that, "The greatest threat to an established company lies in either failing to deploy the Internet or failing to deploy it strategically."

Winterfeldt (2012), another author within the area, is discussing both the benefits and disadvantages by being represented in social media. As mentioned in the social networking chapter 3.2, also Winterfelt brings up that a customer is both able to like and share good news from a company on Facebook. Further, a dissatisfied customer may report his or her negative experience easily on Facebook. The article is mainly focusing on the concept on how to build a brand but is also raising strategy for Facebook, which is highly relevant for this essay. Partly, Winterfeldt is also writing about policy as a way of strategy for social media.

Today, organisations have more options than ever of where to be represented and the company's official website is only one of many resources a consumer can choose to seek out when learning about a company. More and more companies are using social media to build and promote their brands (Winterfeldt, 2012).

Winterfeldt (2012) claims that, a strategy is not only needed for how to implement and use Facebook but also for how to handle upcoming problems. A policy could in that case be helpful as a strategy for how to handle those problems. Further, to make an appropriate enforcement program, the organisation needs a rigorous analysis of its business and its purpose.

Finally, Winterfeldt (2012) mention that the policies should reflect both the organisation's culture and the privacy and other laws of the relevant jurisdiction, which may vary greatly by state and country. He is also mentioning the importance of the social media policies to be understandable and respected in order to be effective.

4. EMPIRICAL MATERIAL

The empirical material includes a case study of the organisation Pay2n and three practical and actual examples. The case of Pay2n shows a new organisation entering Facebook, and the examples provide both advantages and disadvantages of being on Facebook.

4.1 Case study

The following is the case study about Pay2n and their thoughts and visions about Facebook. The case study is based on an interview with Julius Nilsson, who is an employee at Pay2n.

4.1.1 Pay2n

Pay2n's official Facebook page (Facebook 4, 2013).

"We believe there is a better alternative to the existing conventional banking infrastructure. By bringing suppliers and consumers closer together, we want to give you greater control." (Pay2n, 2013)

Pay2n is a new product, developed from the global company Pagero. The development of the product started in March 2011. In the first phase, the developer was searching for possibilities for an independent platform. The thoughts of an independent platform came up when Pagero's suppliers were complaining about to high costs for sending e-invoices to their customers. Those suppliers were small companies. The team of Pay2n began to consider the need of e-invoices and started to investigate why Swedish municipalities did not send their

invoices electronically. The answer was the high costs, also from them.

Today, Pay2n offers a service that makes it possible for customers to receive invoices electronically, both cheaper and more environmental friendly. By using Pay2n, customers are independent of which Internet bank they are usually using. The aim of Pay2n is to create an independent platform for suppliers with the possibility to send information to their customers. In summary, Pay2n sends information to customers digitally. The product also gives private customers an easier solution to organize their private economy.

Today, Pay2n works nationally in Sweden. The aim is to get use of the 18 000 customers that Pagero has, all over the world, mainly based in Europe. By that, Pay2n can reach suppliers from all different countries. Nowadays, companies get bigger and bigger and Pay2n has the aim to help them have the possibility to reach their different customers, regardless of geographical area. This is a problem existing today, which Pay2n wish to solve.

At the moment, Pay2n is in a development phase and the service is also being developed. Therefore, the service as a whole is not yet finished.

Pay2n - the organisation

Pagero is a Nordic based company that offers cloud based e-invoice, e-order and e-payment services. Pay2n is a department within the Pagero organisation, not yet a company on its own, but has the aim to become one in the future. The people involved in the developing process of the service Pay2n are various people within the Pagero organisation. Pay2n is a project, which they do beside their full time employment at Pagero. These people are everything from, product managers, sales mangers, developing managers and technicians.

Target population

The primary customers are people in the age between 25 and 40 years old. Pay2n believe that these people are the ones that are most receptive to a new behaviour. Initially, Pay2n has chosen to use the so-called push-effect which means that suppliers starts to send out invoices through Pay2n to their customers.

Nilsson claims that it is a too early stage to promote the product direct to the target population. They do not want to state something to that population until they have a finished product. In the long term, Pay2n is going to investigate if there are common denominators within the target population and thereafter try to adapt the marketing. As for now, there is no targeted marketing.

Competitors

Pay2n has no competitor that offers exactly the same service as they do. However, there are some companies that have similar services, and the same target population. Nilsson mentions those as the financial institutions as well as other companies within the same field. Those companies are very specified in one specific service. Pay2n is more as an overall function where some of the competitor's functions are involved.

Nilsson believes that the market will change during the upcoming years. Some similar actors will come and some will disappear. The fact that Pagero has 18 000 active customers makes him comfortable that no one else can have the same reach as they have. Pay2n wants to cooperate with some of their "competitors" in the future and therefore they have a continuous dialogue with each other.

4.1.2 Pay2n - the strategy

The initial strategy for Pay2n was to create an independent platform. This platform should attract the customers because its usefulness that simplifies their lives. The team of Pay2n has investigated what the market thinks by visit universities, municipalities and asked them for feedback. Pay2n has also been implemented in one of Sweden's municipalities to try how the product works in practice.

Pay2n has also enlisted the aid of a group of students. These students have been developing market analyses for Pay2n. The analyses have been useful when having contact with the different financial institutions. The vision has been changed a lot of times during the progress of work and everything has been taking longer than planned. The wish was that the product should have been finished during their visits to universities last spring, in 2012. Pay2n it is not

yet finished as a whole product since plan and visions had to be changed during the process. The reason for why Pay2n is not fully developed is due to that other projects within the organisation have been higher prioritised.

The strategy for Pay2n as a product has been developed after every meeting and visit to universities and municipalities. The plan and visions have been created during the time and the initial plan has been changed because of upcoming events and external influences. Nilsson outs that they have to change a human behaviour, which takes a lot more time than just develop a product. To get the customers to understand that Pay2n makes their life simpler, Pay2n needs to change certain behaviour in their customer's habits. Since no demand is expressed among customers, it will take a lot of effort from the organisation to promote the product.

Trade-offs

Nilsson calls it "a thousand of trade-offs" that has been made during the development of Pay2n. They have been choosing among different product functions and then chosen the ones that they believe in the most. For the marketing part, the choice of being represented in the universities has been opted out, for the moment. Initially, there was a plan of being at the different universities during the fall of 2012 also, but the plan was cancelled. This is because the product is not further developed.

Pay2n has made the choice to not market themselves to their suppliers until the project is fully developed. Today's marketing has been directed to a very specific group instead, to see how they receive the product. This is as mentioned before, not the primary target population, but rather a test. They do not want to state something to their existing suppliers until they have a finished product. The plan is to do it within some months. Pay2n has chosen to focus on the population within the ages 25-40 years old instead of the population as a whole.

Generic strategies

Pay2n has the primary focus on being differentiated as in the front row of technology. This is made by the independent platform. However, being in the front row of technology and being different, Pay2n also has to be a cost leader in order to get companies send their invoices

through Pay2n.

4.1.3 Pay2n- communication channels

Today, most of the communication to customers is done by regular mail, and social media is a limited communication channel. In the municipalities that Pay2n has choose to be active, posters and ads have been used as direct marketing.

Facebook strategy

Today, Pay2n has no expressed strategy for Facebook. There was a Facebook account created for Pay2n with the aim that no one else should be able to create an account in their own company name. The reason for not having a strategy for Facebook is that the Pay2n organisation did not see Facebook as an important channel of marketing. This is because the product is not yet finished. Currently, Pay2n has no budget for Facebook marketing. The money spent in Pay2n has been spent on the recourses they considered as most important, which in the initial phase, not includes Facebook. The student group working closely with the team of Pay2n has got the task to monitor the Facebook page of Pay2n.

Pay2n's competitors also have running Facebook pages. However, it is only Swish that has a more active one. The other competitors have about the same activity as Pay2n. Nilsson believes that a strategy for Facebook could make them successful on Facebook.

Possibilities and concerns about Facebook

Nilsson claims that if Pay2n as a product expands; Facebook will provide a lot of advantages. He is not sure of what is good or not with Facebook and further, if Facebook is the right place to be. He also thinks that the case of Facebook is different in different countries and therefore has to be adapted to the surrounding. Further, he believes Facebook is an easy instrument for marketing and a good way of doing marketing of products globally. Facebook also provides possibilities to take advantages from other companies that are already having on-going Facebook pages.

Through Facebook, the range of marketing can be increased and Pay2n's target population can be reached. If Pay2n will start cooperate with financial institutions, Nilsson thinks they should spend money on marketing on Facebook, but not today. Further, Nilsson says that Facebook can affect a company negatively if it is not done correctly. He also claims that there has to be a working support system so that questions can be answered quickly and so that the company will not be perceived negatively.

Because Pay2n is a customer product, Nilsson claims that there is no choice of not being represented on Facebook. The choice of having an in- active Facebook page is because of the reasons above, but there has never been an option to not have a Facebook page. Although, Nilsson thinks that it is important that there are guidelines on how to work with Facebook and how to handle upcoming problems.

4.2 Actual examples

As follows, there are three examples from H&M's, Liseberg's and KLM's Facebook pages.

4.2.1 H&M
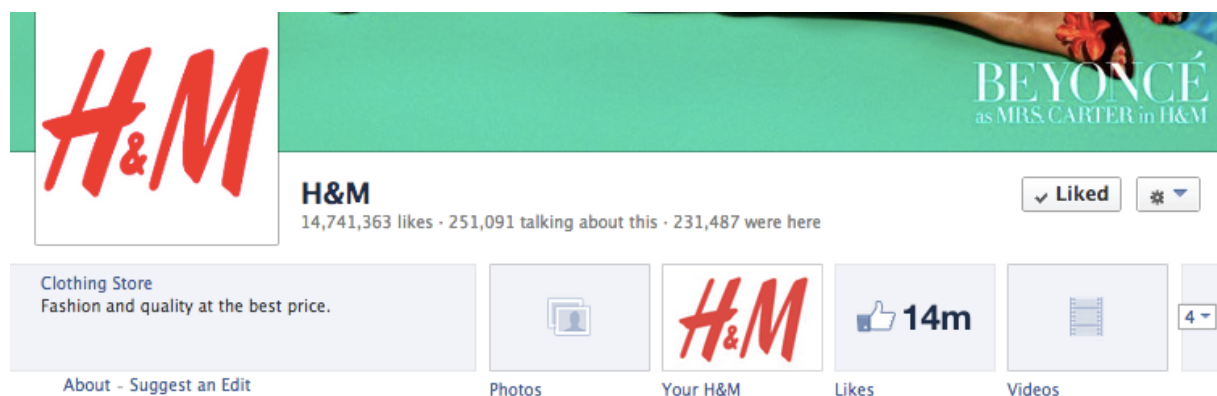
H&M's official Facebook page (Facebook 1, 2013).

Ström (2010) claims that H&M's Facebook page had 1.5 million fans in 2010 when his book was written. Today, when searching for H&M's Facebook page, you can see that this number has increased to about 14.7 million fans (Facebook 1, 2013). This is an increase of around 13 million fans in 3 years.

In December 2012, there was a post on Facebook, commented on a print of an H&M sweater depicting rapper Tupac Shakur, convicted of sexual offenses. This post got major complications. Not because of H&M's choice to print the image of Tupac, but in the form of Internet bullying. Many comments were removed immediately, but far from all. By 5000 offensive comments to the post, H&M choose to remove only 3000 of these. When the Swedish TV program "Uppdrag granskning" criticized H&M for this, they were unable to answer why they did let 2000 of the insulting comments remain in the post. Hansson (1, 2012)

H&M outs that the marketing department has failed to remove some of the offensive comments. Hansson (Facebook 1, 2012) Miriam Tappert, head of social media at H&M, expresses herself in the event: "The only thing we can say is that we are incredibly sad that these hateful posts were not removed. What we will do now is that we are reviewing our policy and how we will handle this in the future, because it's really not okay" Hansson (Facebook 2, 2012).

An example from the case of H&M (Facebook 1, 2013).
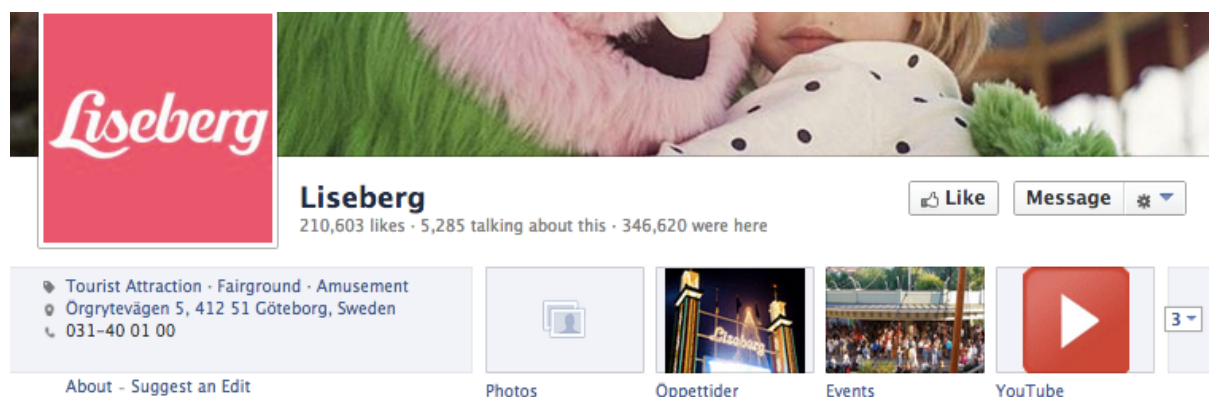
Liseberg's official Facebook page (Facebook 2, 2013).

Another case that recently occurred on Facebook is the consequences of an advertising campaign of Liseberg. Around Sweden, ads of a crying child were posted. The ads wore the different texts as "some children are forced to go to Mallorca this summer" or "some children are forced to go to Italy this summer". This was supposed to be an ironic campaign of children that rather would like to go to Liseberg instead of going on vacation to another country. Instead, the campaign has got devastating consequences because of harsh criticism from people. At Liseberg's Facebook page, several people wrote that many children cannot even afford to go on holiday at all - and that the campaign is therefore inappropriate. Liseberg's official Facebook page has today about 200 000 followers which means the criticism will reach this many people and also their friends (Facebook 2, 2013).

Due to the criticism, Liseberg choose to ask the followers on Facebook for response. The following post was posted on Liseberg's Facebook page from Liseberg itself: "Have your say on the campaign! Many of you have opinions about the Liseberg's latest advertising campaign, created by advertising agency Forsman & Bodenfors. The goal of the campaign was to reach out with our Happy Kids Guarantee (providing new Ride Pass and entrance tickets if your child has not had fun). We might have succeeded, but the campaign has stirred up a lot of other emotions as well. Here you can leave your comments and discuss the campaign. We are grateful for any feedback, positive and negative. Sincerely, Liseberg" (Facebook 2, 2013). The post got 259 likes and 269 comments in two days, both positive and
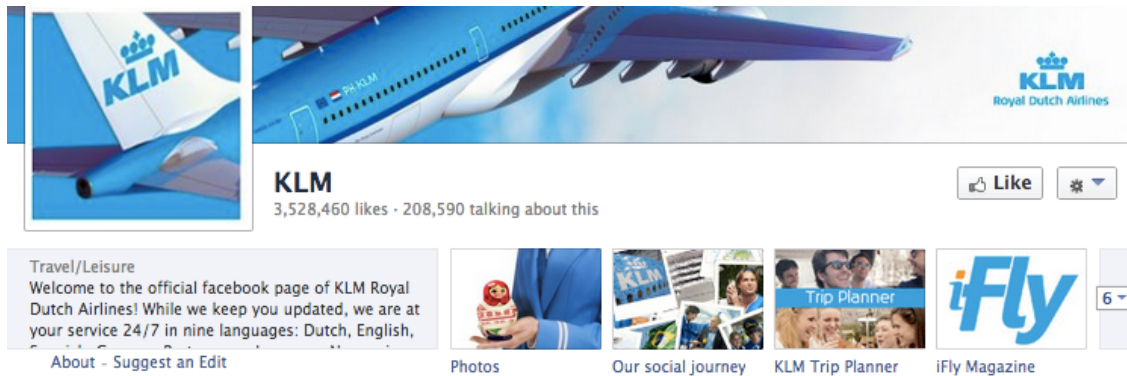
negative ones (Facebook 2, 2013). This advertisement from Liseberg has also got attention not only in Sweden. Even hotel owners in Greece got upset because of the campaign. Would they be able to get reached of this campaign if Facebook were not existing? (DN, 2013)

Further, in an interview with Zeth Pilevång, project leader for Liseberg's next event says: "We have had a good start of the season. We are a topic of conversation because of our campaigns and people are talking about us across Europe. Now, it has even reached the United States. We are well known." (GP, 2013)

Examples from Liseberg's official Facebook page and their campaign (Facebook 2, 2013).

4.2.3 KLM

KLM's official Facebook page (Facebook 3, 2013).

The third practical example is taken from KLM's official Facebook page. This example shows how a customer asks KLM for how to change his ticket. The response comes quickly and the problem is solved within an hour. The customer and KLM have an open dialogue on KLM's Facebook page where all the customers of KLM and also the asking persons friends can see the conversation.

This is an example of how a company can use their Facebook page as a service centre and how that can result in positive spread. It is clear that KLM has had a strategy for how to handle comments on their Facebook page and spends resources for this. In some way, the customer who is asking the question knows about this possibility and uses their Facebook page for his questions instead of e-mailing or calling their customer service by phone. By doing this, not only he is getting helped, also other customers can get use of the open dialogue (Facebook 3, 2013).

An example of KLM as a service centre on Facebook (Facebook 3, 2013).

5. ANALYSIS

The analysis connects the frame of references of strategy and how strategy can be useful on Facebook.

This model describes how strategy will be applied on Facebook and how these two will permeate each other in the analysis. Thereafter, the discussion will focus on Pay2n and how they can get use of the theories of strategy on Facebook.

5.1 Strategy

Strategy in general and strategy for networks and social media seems to be very similar. According to the references, both in the area of basic strategy but also in the area of networking strategy, strategy seems necessary for creating a unique and valuable position. Therefore, to be able to have a valuable position on Facebook, we think strategy would be a necessary tool even there. Because Facebook can be identified as a market as well as the regular marketplaces, it has the same importance of having a strategy of how to reach effectiveness. No company would enter a new market without a strategy, so why should companies enter Facebook without it? A reflection of why it has become a market with lack of strategy might be because of the fact that Facebook has grown so fast and no one has been able to forecast how far Facebook was able to reach. In retrospect, we can see that Facebook has helped a lot of companies to reach out to thousands and even billions of customers and now is the time to analyse companies' existence on Facebook. It might not have been that important for some years ago, since the width was not that huge as today.

As said about networking strategy in chapter 3.2.2, it is important to take advantages of the different tools and techniques that are offered within a network, which in this case is Facebook. Facebook can be seen as any other market to enter, therefore, analysis must be done before entering and a clear objective of why the company want to enter must be defined. To be a successful company, some work before you will reach there is needed. Therefore, we do not believe that it is possible to be a successful company on Facebook without spending some time on both planning and servicing of the Facebook page.

The definition of Facebook in the work of strategy can be questioned. Is Facebook a strategic decision or is Facebook just a tool that can fit in either choice of strategic work? For a couple of years ago, it seemed like Facebook was a choice and therefore also a strategic decision, to be represented there or not. Today, it seems common for companies to have a Facebook page. Therefore, we believe that Facebook has to be involved in the strategic work and how to use it needs to be clarified before the setup. However, our study shows that companies have set up pages on Facebook without a clear strategy, as the examples H&M and Pay2n.

Even Porter as a traditional author of basic strategy mentioned the importance of including Internet in the strategic work. By this, it is not only "new" theories that include Internet in the theories of strategy. Internet, and also Facebook is a necessary tool to use for growing companies today. Some years ago, Internet was a phenomenon to discuss. Today, Facebook has grown so huge as it is a phenomenon within the area of Internet that also has to be included in the work of strategy. Thus, the market is changing, and therefore the strategy also has to be adjusted as it changes. As mentioned in the introduction, Porter already 2001 accounts for Internet's importance and those changes that Internet will bring to the business market.

5.1.1 Positioning

Positioning is defined as to choose activities that are different from rivals. The question is, if Facebook really is a way of positioning? Since it is more and more common for companies to actually have a Facebook page, a company is not unique by only having a Facebook page without any activeness. Instead, the choice of activities that is different than rivals might be the choice of how to plan, manage and promote the Facebook page. This is why having a strategy seems to be of most importance to actually succeed on Facebook. The way of being different seems to depend on what strategy you have and how to use it the best way, thus, rather differentiation more than positioning.

Another perspective could be that Facebook is one way of positioning between all the social medias available. Is it most important to focus on one of them or it is more important to be represented everywhere that is possible? Because we have not focused on any other social media than Facebook in the thesis we cannot answer this but of course this is also a question

of resources. If there is needed a strategy for being successful on Facebook, that would probably be the case for those other social media as well. The more marketplaces a company should be represented on, the more resources have to be spent on building strategies for those places. Will that effort be repaid? Today, Facebook is the most common and used social media platform and therefore it seems to be the first place to focus on if there is a question of how much resources that should be spent on social media. This is the social media where a company can reach the most customers and get the most out of its resources. On the contrary, this also might be the place where the biggest effort is needed because of its wide spread and many followers. A mistake or out of date page on Facebook might damage more than another social media with less followers.

Because there are different ideal positions for different companies, the purpose with the Facebook page has to be analysed. For one company, reaching as many customers as possible might be the primary focus but for another it could be close and intimate contact with their few customers. Many organisations are focusing on how to get as many "likes" or "followers" as possible. But, the question is, why? To be unique on Facebook, something else is needed. And to get likes, people first of all has to find your page. Even if a company has thousands of likes, no one will go to your page if nothing is happening there. To be positioned on Facebook, we think a focus is needed; what is the purpose of the Facebook page? Who do the organisation wants to reach?

Positioning is also about where a company should act geographically. The difference with Facebook is that it is all over the world, and everyone can reach it, no matter country. Therefore, the geographical scope is hard to define when setting up a Facebook page. Of course, it is easier to reach out to the people in the close surrounding because friends on Facebook see what their friends are doing, but technically, you can reach anyone at any place. Further, what can be hard with a Facebook page is to relate it to its environment. A company that expand geographically usually customise some parts of the operation so it fits in in the new culture. A Facebook page is harder to adjust to its surroundings because of its geographical spread. Some facts published in Sweden might not be okay to publish in another country. This might be a very hard situation for companies that want to expand. At the same time, you don not want to "hide" a Facebook page for some people; it should be open for everyone. How can companies actually solve this problem? Some bigger companies, such as H&M have country-based pages that news from the own country is published. But, those

companies also has one global page that is interesting for everyone interested in H&M in the world.

Today, Facebook has grown so big that it is listed on the Nasdaq stock exchange. The more market shares a company gets to its Facebook page, the better for Facebook. One thought is that the "real market" has moved into Facebook. Now you can compare how many customers who "likes" a company versus another and by that see how popular a company is. That is also a way of scoring how well it goes for a company. By that, you can compare market shares of a company on Facebook, which gives a company a position compared to the competitors on the Facebook market. The problem is to measure the success of a Facebook page. Even if a company has the position as the company with most "followers" the quality of the page is not defined. There could be another company with the position of having a more qualitative page but not as many "followers". So, how can a company actually measure the success of their Facebook page?

Variety-based positioning

Any company, no matter what product or service they offer, can have a running Facebook page. Therefore, the choice of being on Facebook has nothing to do with the choice of product or service when they plan their variety-based positioning. Either a company mass- producing products, either the ones that are having a more exclusive approach can have a Facebook page. The question is rather what the company would like to do with the Facebook page. Is the page going to act as a real service page where customer can ask questions and get them answered and have an open dialogue with the company? Or, is it more as an advertising page with one-way dialogue? If there are no resources set up for treating questions and complaints, this could easily be the case. Having a Facebook page can be a way of providing service, both in the way that the customers expect their "companies" that they are using to be there but also in the way that the Facebook page actually can be used as a service centre. This service is available for all customers and can be used 24 hours a day. However, when having a service centre, this needs to be managed by someone, and in a certain way. If the page starts to "act" as a service centre because customers start to ask open questions, it can create dissatisfaction if no one responds to them. Therefore, the choice may not only be the organisation's, it can be customers who use it as a service centre even if the company's intention was something else.

Needs-based positioning

Needs-based positioning is highly relevant when talking about Facebook. The choice of target group is of course already analysed and processed when a product is developed. Facebook can help companies to reach their specific target group. The most Facebook users are in the ages between 18-34. Therefore, what is relevant to take into account when setting up a Facebook page is whom the company wants to reach? If the customers are not within that age, is Facebook the right place to be? A company can get a lot of followers by having a page on Facebook but if the followers are not customers, they do not reach the desired people. In some way, "all marketing is good marketing", but, if money is spent on working with strategy and building up the Facebook page, the question is if Facebook is the right needs based positioning.

We would say that if the right target group is represented on Facebook, the company absolutely should have a Facebook page running. Those active Facebook users may search for the company and because of the frequent existence of companies on Facebook, it would be unlikely having trouble to find a particular company.

Access-based positioning

Access-based positioning can easily be applied on Facebook. By using Facebook as a communication channel, a company can reach customers better than through other communication channels. Today, many young people are using computers in their daily work and Facebook is further a part of their daily routine. Facebook can easily replace TV and newspapers and much news are actually discussed in the forum of Facebook. Therefore, Facebook is a way of catching those peoples attention.

On the other hand, it is also important to reach those people not using Facebook and not forget about other communication channels that still are active on the market. Even if most of the young people are using Facebook, it is important to reach the ones that are not active, not only with marketing but also with important information that needs to reach people. Your Facebook page can operate as a supplement to other communication channels but we believe it is hazardous to substitute all these. First, some of the people might be forgotten, and secondly, because Facebook may not exist forever. On the contrary, Facebook is a cheap and

easy way of marketing. May it be worth the risk to loose some people within the target group because of the effectiveness Facebook provides?

Another perspective is that even if a company's page on Facebook gets a lot of followers, you cannot know if those followers are customers or not. With your Facebook page, you want to reach the "right" people and the result of your followers is hard to measure. It might "look good" to have thousands of followers but it is no meaning if they are not current or future costumers.

5.1.2 Strategy as a process

A problem that seems to occur in the work of strategy is how the strategy is implemented in the company. This disconnection between theory and practice is a recognized occurrence. Therefore, the case of strategy for Facebook may not be a different case. Hard work with strategy for Facebook could easily end up with not being used in practice, which would be a waste of resources if a clear strategy actually is set up. There would be no need for strategy if the strategy is not used in practice. What we think is important is to involve all parts in the work of strategy for Facebook. What is the plan and is everyone aware of the plan? It seems easier to follow something if everyone involved understands why. And who is dedicated to work with Facebook? Can anyone manage the page or is there anyone responsible for the page?

Also Schön's theory stresses the problem of disconnection but he also means that changes are necessary. Even if the problem of disconnection is a possible occurrence, a company should not be afraid of changes and especially not afraid of setting up strategies that are actually needed. The mission would instead be to actually follow the plan and strategy instead of not producing any. The environment is changing, and Facebook, as a concept has to be taking into account nowadays. Therefore, it has to be a balance between setting up a strategy and the ability to follow the strategy. However, the strategy should be as clear and simple as possible in order to involve as many people as possible to follow the plan.

5.1.3 Trade-offs

We believe the question of trade-offs can be seen from two aspects; either the choice of not being on Facebook or the choice of what to exclude.

First of all, one must know that spending resources on Facebook might affect other possibilities of being seen. Spending time on Facebook could be spent on something else. Therefore, a company must decide whether to be on Facebook or not. Facebook can be a possible trade-off if a strategy for Facebook is not defined. Without a strategy for Facebook, all possibilities with Facebook may not be fully utilized. The mistakes and occurrences that can appear and hurt the company without a strategy may hurt a company to a bigger extent, represented on Facebook.

A question to consider is if the choice of not being on Facebook really is a possible trade-off for some companies or if it is a "must-have". Customers may expect to find a particular company on Facebook and therefore disappointment can occur if they will not find it. A company must therefore balance if it is worth to not be on Facebook compared to those hours that will be spent when creating a strategy and running the page?

Also, the choice of what not to do when already on Facebook has to be considered. It seems hard to predict what development a Facebook page will face. For example, a Facebook page can get followers that are active on commenting, which leads to requirements of taking care of and answering the comments. It could also be a situation where comments are against the company's policies, for example offensive comments or personal attacks. Should this be removed of the company or ignored? Something that is hard to define. This is like the example of H&M where they got accused by letting harsh comments be on their Facebook page. The situation could also be the opposite, if customers are not active commenters, a requirement for taking care of them are not as big.

5.1.4 Generic strategies

Overall cost leadership

There are several things in a company that has to be focused on to reach success or not. One of these things is deciding to be a cost leader in its branch or not. There are advantages that make it possible to use Facebook for this reason. Setting up an account on Facebook is free and there are no costs of having pages or groups on the platform and a lot of activities on Facebook are possible to use for reaching users and customers. Sharing pictures, making updates and creating events are all for free and because of Facebook's width of users there is a potential of using these all possibilities for free. Focusing on a new area and platform normally requires recourses and money if the aim is to be serious and to use this even in the future. This is why Facebook has got such a potential. It enables all kind of companies to actually use this possibility, whether they want to spend money or not.

We believe that a company has to decide whether they want to be a cost leader today or in the long run. Using resources today will make the company cost effective in the future by sacrificing these resources today. It might also be cost effective today by comparing the costs of making advertisements and events through newspapers to the costs of doing it through Facebook. Using resources today will be a cost of time but will gain advantages in the future when competitors probably are not as established as your company on Facebook. It will always be a matter of cost but it depends on how you choose to use Facebook.

It is also possible to decrease the overall costs by minimizing the advertising cost by using Facebook. The decreasing of overall cost might even affect the product cost, which in the end can lead to lower price on products or services.

Differentiation

Being different from your competitors makes it easier to reach success and to be unique in your branch. Whether your competitors are active on Facebook or not there are different ways of acting there and different things to focus on. It might not be possible to focus on all opportunities on Facebook if the resources are limited but there might be one particular part that is preferable to reach success.

Facebook allows a company to have a business page where the company through pictures, updates and approach can make their own touch of their page. Being different compared to competitors is about having a special approach like using the business page for customer service, being there because of the competitors' presence, or being there to communicate with customers. There are different things that can be focused on and as well as on the physically market Facebook can be compared to a market site with endless possibilities. On the physically market there are ways of being different as where to positioning, using different kind of advertisement or focusing on different kinds of target population. Talking about this market and with the development that Facebook has been through the last years, it is necessary to talk about Facebook as a wide market with endless actors. Because of this development we think that soon every company will be represented on Facebook, which makes it even more important to know how to be different. Being different on the physically market is nothing new, that is something that has always been the main challenge for companies, how to be different from their competitors. According to the fact that Facebook is such a new and growing market, it is a bigger challenge to reach success and to know how to be different. At the moment there are probably companies that is still in the phase of deciding whether to act on Facebook or not. Those that already have decided to be there are ahead and have got possibilities to actually focusing on being different.

It might not be needed to use the same approach on Facebook as on the physically market. It is about being different, and different approaches could be as mentioned above, to focus on either customer service, to compete with competitors or to promote a product or service that the company offers. We think that those companies with ambition in order to use Facebook to be different will gain advantages by reaching many people because of Facebook's width. The strategy of deciding whether to be on Facebook or not includes the fact to decide how to be there and even how to be different. We believe that by using resources to define how to be different will make the company successful.

Focus

Porter claims that it is not possible to both focuses on differentiation and cost leadership at the same time. We question if this statement is true when taking Facebook's possibilities into account. Above we have been discussing how to reach differentiation and cost leadership

through Facebook but in separated ways. We believe that it is possible to focus on both differentiation and cost leadership at the same time and that they could be very good complements to each other. Facebook is an alternative for companies that are both differentiated and cost leaders, and the platform will help a company work with both parts. It might not be able to use Facebook to be cost leader of a product but by using the platform the overall costs will decrease and it is also possible to focus on being different by your acting on the platform.

Finally, Facebook is a cheap way of marketing your products and services and because of that the company can get lower costs and therefore cheaper products which in the best way could lead to cost leadership. Also, a company can have a strategy so well planned that they can be differentiated through Facebook. Therefore, we think a combination is possible. To oppose Porter's theory about mutually exclusive might not be optimal but since his theory focus on the product itself it seem possible to combine differentiation and cost leadership in Facebook as it is more like a marketing tool. We still believe though, that the overall strategy for a product or business should focus on either strategy to reach optimal success.

5.2 Practical examples

Having a page on Facebook allows a lot of possibilities and there are a lot of applications and possibilities to learn about. Knowing how to handle comment from customers is one thing that all three examples have experienced. The incident on H&M's Facebook page highlights the consequences of not being one with their time in social media. The consequences might affect the organisation negatively why it becomes important to have routines. There are some things that have to be decided before signing up on Facebook. As Townsend (2011) says, it is important to decide how and why a company wants to act on Facebook. Some standards has to be set before entering Facebook and you have to know how to act when a complicated situation occur. For example, it should have been decided, who is responsible to answer customers comments on Facebook due to H&M. The case of KLM is different, because there is no negative spread about the company. Thus, the examples show how quickly KLM responds to the customer asking. Because this was our friend asking the question, we were reached by the conversation and got a positive perception about the company. All his other friends and all followers of KLM, did probably see this conversation as well. If no answer

from KLM, they would not get the same positive spread.

According the case of H&M, with 13 million followers, they should be concerned about the fact that all of these people are able to see everything that happens on their page. H&M has got all possibilities to actually get to know their customers by treating them right through Facebook and to be updated in relation to them. Signing up on Facebook is so much more than just being seen on the platform. As well as it is about promote themselves and to have a communication with their customers, they should also keep in mind that communication allows criticism that will be visible for everyone on Facebook, not only H&M's followers. Such a big organisation as H&M should be aware of that just a little mistake might grow very big because of their many customers. A similar situation could of course occur for example on KLM's Facebook page as well. As seen from the examples H&M and Liseberg, situations from the daily business, moves into the platform of Facebook. Therefore, the companies should be aware and prepared for, that everything done in the business could be brought up on Facebook.

Having routines for how to answer comments on a Facebook page might be one thing, but what about deleting comments as H&M did? This is something that also has to be aware of, because it might affect the company negative. Deleting a comment should be natural if it discriminates someone but deleting something might even be difficult if there is a negative comment about H&M as a company, which they later delete. This could be compared with taking stand for something due to H&M. H&M has also got the possibility to answer the comments, which they did not do. Maybe answering should have been better in this case because that gives the company a chance to defend themselves. Acting without an explanation makes the followers interpret the situation themselves. We believe that customers and followers would appreciate honesty and clarity from the company and not the fact that they have to interpret the company's acting in their own. Of course those discriminating comments should not remain, but explaining the removal would give H&M a more serious approach against their customers. We believe a company gains more by being honest and consistent in their communication. Also, in this case, some comments have been removed, and some not. We wonder what this selection is based on, if there were any selection made at all, or if it was only the lack of recourses that did some of the comments remain. This also leads to the discussion of freedom of the press. Should everyone be allowed to write what he or she wants also on Facebook? And also, whose responsibility is it to take care of the comments, H&M or

Facebook, which actually is the owner of H&M's Facebook page?

H&M, Liseberg and KLM are today a lot bigger than Pay2n. Imagine H&M has got 13 million followers (probably more today) and all of these followers has got a couple of hundred friends, something that happens on H&M's page will reach as many as the doubled of 13 million users on Facebook. Thus, we want to highlight the width of something small as a comment that could reach millions of people. Concerning Pay2n, it is hard to believe that their Facebook page will reach this many followers but, although customers are still as important for a small company as for a bigger company. The fact that Pay2n is in the start up for its product development, bad reputation occurring on Facebook may hurt them even more. H&M is an already established company, and their customers may not stop shopping at H&M even if they are affected by negative spread on Facebook.

We are aware of the fact that "Uppdrag granskning" is a program that should be inspecting different situations in the communities. Therefore, they have a sceptical view of the situation occurred for H&M. Although, thousands of comments and negative spread is facts that can be reached on H&M's official Facebook page, even if it was "Uppdrag granskning" that brought it up. There are of course a lot of things that H&M has been doing great by acting on Facebook since they have git 13 million followers. Hopefully, after being inspected, H&M should have learned something and if a similar situation occurs again, they have experiences of how it could be done better.

According to the case about Liseberg, Zeth Pilevång, project leader for Liseberg says: "We have had a good start of the season. We are a topic of conversation because of our campaigns and it talks about us across Europe. Now it has even reached the United States. We are well known" (GP, 2013). As a result of a campaign that was criticized, Liseberg got a lot of traffic to their Facebook page, where followers were discussing whether this was a good campaign or not. The difference between this case and the case about H&M is the fact that Liseberg wanted a discussion about the campaign and asked for it. Although no one wants negative feedback it will actually reach a lot of people whether the feedback is negative or positive. It might be something that is not naturally to imagine, that someone would even appreciate negative feedback, but imagine how many people this will actually reach. Of course this is something that each company decides, but there might be negative consequences as rumours if there is only negative criticism. Still, it opens up a new and different possibility of

marketing on Facebook. Therefore, the case of H&M might not only be criticised as bad marketing, even if they did not ask for the attention on Facebook.

A question that has occurred during the process of the essay is if there is any reason to have a Facebook page without using a strategy. The examples of both H&M and Liseberg show how followers of Facebook pages can spread bad reputation. In the case of H&M, it seem to be a situation, not chosen to occur by themselves, which makes us think there was no strategy for how to handle the situation. The importance seems to be, being aware of the "risks" that can occur and how to handle it. Maybe, H&M was totally aware of the risk, but they did not let us outsiders know about it?

6. DISCUSSION

The following discussion treats Pay2n's entrance on Facebook and how they can use above analysis for their specific situation.

As we can see above, there are a few examples that exemplify the problem about strategy on the Internet and especially Facebook. There are probably a lot more than those that are presented in this essay. Some of the examples are good ones and will be a great guide for Pay2n of how they should act on Facebook. All the theories and the information about Facebook in the essay will gather information that is probably very useful for Pay2n and their entrance on the platform, even the bad examples. Comparing yourself with others is a great measuring. Since Pay2n is still in the beginning of establishing on Facebook, we will hopefully find guidelines of how to do this entry on the Facebook market as successful as possible.

The knowledge about connectivity, conversations, content creation and collaboration seem to be the fundamental base for building up a strategy on Facebook. These steps of understanding seem to be the fundamental to even understand the meaning of being on Facebook and some of Facebook's most clear strategic ways. In the empirical material about Pay2n, Nilsson claims that he does not know where they want to reach with their Facebook page. If not having these goals in mind when setting up a page on Facebook, it seems pretty un-useful to

even set it up. If the goal is not to get a lot of followers, set up conversations or create compelling content, why having a page at all?

Also, Schön (1983) claim that everyone involved in the process, should be understanding of the meaning and usefulness of being there. What is needed in the organisation of Pay2n might be to get a deeper knowledge and understanding of Facebook's potentials, before even thinking about a strategy for it. If everyone understand its usefulness, the understanding for spending resources on strategy would also be greater. Also, everyone has to know what should be done to be involved in the work and how to follow the plan.

6.1 Customers

According to us, it seems important to decide what target population the company wants to reach, before going further with plans and strategy. Knowing about this will facilitate many steps of building a strategy. Because Pay2n is still in the beginning of establishing on both the physically market as well as on Facebook they will start focusing on people in the ages of 25 to 40 years old, which is their target population according to Julius Nilsson. We believe that the company will gain a lot of being seen on Facebook because the majority of people between 18-34 seem to use Facebook. Finding the customers in the right place, which is called needs-based positioning, will help the organisation to develop more rapidly. Because of the target population that are active users on Facebook, we are sure that there are a lot to win of being well established on Facebook. There is especially one reason that makes it necessary to be active on Facebook and that is the fact that the product the company sells is based on Internet. We believe that being an Internet-based company requires that you be represented on platforms like Facebook, that are very popular and updated. Because the use of Pay2n's product requires some kind of knowledge and experience of Internet, Facebook might be the optimal forum. Probably the Facebook users are susceptible of Internet-based products and can be identified with those kinds of services.

To start up with a strategy for Facebook, analysis of a company's specific possibilities and what a company wants to reach by being on Facebook must be done. Pay2n has no one responsible for the communication today, but we think that directions for this would simplify the work on Facebook for Pay2n. Nilsson believes that Facebook has got potential, but without resources at the moment, it is not easy to handle this part of the organisation. It is

necessary to decide how and when something is going to be updated as well as what purpose you have with the updates. We believe that it will gain the organisation by being updated and to communicate to customers rather than not doing so on Facebook, as today's situation for Pay2n. By focusing on communication against customers, Pay2n will be like a service centre, similar to KLM, and maybe that is what the organisation should be focusing on. It might be hard to focus on many things at the same time. But, as Ang (2011) says, through conversations, organisations can find out what their customers actually likes about their products. Word of mouth tends to be much easier to handle through the Internet, and it also makes it possible to find both positive and negative comments. It might even help transforming Pay2n's new product.

Maxwell (2012) is talking about a negative effect that can occur when a company exists on Facebook and does not know how to handle the new platform. Because of Facebook's many advantages, it is easy to become a member, but there should be reflections made before decide whether to be a member or not. This might be the case for Pay2n at the moment, since they admit that they have not chosen to spend their resources on Facebook. Today, the organisation is working a lot with promoting itself through Sweden, by visiting universities and by promoting themselves with stands in different cities. A reflection of this makes us wonder about the fact that Pay2n is focusing on people between ages 25 and 40, why are they not using Facebook hardly at all? These people are mainly represented on Facebook. By using Facebook, Pay2n will have an access-based positioning when identifying their target population and their habits, rather than promote themselves physically in cities, where they do not know who they are going to meet. As the organisation could use Internet rather than travelling it might also simplify the fact that the customers are reachable wherever they live in the country. The geography does not have to be considered in the same extent if only Pay2n knows how to handle and how to communicate on Facebook effectively. Facebook would not only facilitate the communication but also the cost of travelling. We are aware that not all companies are members on Facebook but according to the development it might be even more common having a membership on Facebook. Using this method to get in touch with customers will decrease the costs that are connected with the travelling to meet customers.

Pay2n will save advertisement costs by using the free possibilities for making advertisements through Facebook. This could be a good opportunity for a quite new company as Pay2n that might not have the possibility to spend a lot of money on marketing through other media

channels. Using Facebook for this reason could be called "low-cost-strategy". Knowing how to use Facebook the right way could save a lot of money.

6.2 Competitors

Setting up on Facebook not only requires the plan of communication; it also requires a research of the competitors. If the competitors are on Facebook, how are they acting and what can be learned from them? Pay2n's different competitors are presented in the empirical material and cannot be defined as directly competitors. No one offers exactly the same product as Pay2n. Roos, von Krogh, Roos (2004) say that "The most dangerous competitors are those that are most similar to their own company". Applying this on Pay2n would give them advantages because of the lack of competitors. This is something that could be useful for Pay2n and they could use the advantage of being different. It might even be good that there is no chance to be associated with someone else. Lets call it differentiation on Facebook. Julius Nilsson tells us that Pay2n is focusing on being different, which, in many situations can be useful because they can focus on how to be seen or how to reach their customers rather than how to compete against their competitors. Maybe, acting on Facebook, will make it even more profitable for the organisation because they can gain more than their expected competitors that still have to compete against each other.

6.3 Learning from other companies

Talking about advantages and how to reach success by using a strategy, there is a lot to learn from our practical examples about H&M, Liseberg and KLM. According to the case about H&M, it highlights the results of lacking routines of how to handle comments. Pay2n could keep this in mind to avoid negative spread about their company and about their acting on Facebook. In comparison to H&M's acting, KLM seems to have set routines and resources to communicate with their customers on their Facebook page. It might be worth to use resources for this part because of the positive spread that this can gain. With good response from the company, when a customer asks something, will reach all that customers friends, and in that way, also be a market channel. As said about H&M earlier, they will be more affected on Facebook because of their many followers, but that is still something to keep in mind that the

way you are acting on Facebook will reach your followers and even their friends. As we can see through the cases about H&M , Liseberg and KLM, all actions on the company's Facebook page will give effect, either positive or negative, and it will reach many people either way. Knowing about this will simplify Pay2n's entrance on Facebook. Pay2n can also use the fact that they are able to develop the organisation's idea with help from customers, by having a good communication through Facebook.

We believe that Pay2n could turn their position of being a beginner to something good by transforming their idea together with their customers. It is hard to compare such a new company to these giant and well-established companies that might not "play" on the same arena. Anyway, if you are the first company trying something new and you fail, someone else can take advantage of others mistakes. Something Pay2n could use.

6.4 The future of Facebook

Although we believe that there is no doubt establishing on Facebook needs a strategy, it is important to not forget about the circumstances. The company is still running whether it is represented on Facebook or not, and the most important is of course to make sure the company is profitable. Things have to be seen in perspective to each other, and the company has to priority what is the best choice for them according to the specific situation. It is an active decision to decide whether to be a member or not. Being a company that wants to be up to date might be on Facebook, but it is still their own choice. It cannot be forgotten that it will still be customers that do not have Facebook and are not active on the Internet, what makes it relevant to have this kind of distance and view of Facebook. Other communication channels are still important to maintain.

It is also individual what different companies predict about the future. No one is sure Facebook is the place to be in five years. It is hard to predict about the future even for researchers. As Porter was predicting about the Internet already in 2001 we could make sure that some kind of activity similar to Facebook will probably occur on the Internet as long as the Internet is running. At the moment, there is nothing that indicates that the Internet will disappear in the nearest future by looking at the development. This makes us believe that whether it is Facebook or another platform that is used in the future, a strategy will be needed

because it is a new market to handle. Since it looks like Internet has got a future, we also believe that a new market will grow as it has already been started on Facebook, and it will be easier for customers to reach the companies. Probably the traditional marketing as posters and advertisements will still be useful but the most important will probably be the fact to handle the communication between the company and the customers. As long as the Internet is running, customers will get in contact much easier with companies. Also, the companies will be expected to give customers response. This requires resources and makes it important of having routines.

When the day at work is finished, Facebook is still running. Most people spend spare time on Facebook which means that time after work is an important time for companies to show up on Facebook and to use their resources. This might be forgotten when deciding to be on Facebook. Rather not be there, than be there, but not be able to handle it.

6. CONCLUSION

The thesis gets a specific view because of the selected cases and also because of our own interpretations of both theories and cases. Another thesis might get an alternative result if other theories were chosen and other perspective and cases were analysed. Of course, the essay writers' own experiences and thoughts reflect in a thesis like this.

From above discussion, based on Pay2n's specific situation compared with the frame of references and other cases, it is obvious that Pay2n should act and have a strategy for Facebook. Although it would be useful for Pay2n to have a strategy, we must keep in mind that the product is not fully developed according to Julius Nilsson. If time is limited, one can argue that the organisation should focus on their product rather than forming a strategy for Facebook. But, as we have said earlier, Pay2n could gain a lot by using the feedback from customers on Facebook to develop and transform their product. The analysis and discussions ends up in a guideline for how Pay2n can get use of the theory when establishing their Facebook page. Making their page successful, we believe the results from this thesis need to be considered.

Although, Facebook has got a lot of advantages, there is nothing that can measure Facebook's profitability. You will never know before you join how many followers you will get, or how much this will increase your sales. What you know is that it will cost you resources by having people monitoring the platform. It is about to believe in something, and decide to join or not, as for any business investment. Hopefully, this thesis will help Pay2n and other companies to feel more secure in the entering phase. Because, if you join, we want to make sure that you are aware of the possibilities there are by having a strategy of knowing HOW you are going to work with the platform. As said many times before, there is so much to gain by using a strategy. As seen from the examples, situations from the daily business, moves into the platform of Facebook. Therefore, the companies should be aware and prepared for, that everything done in the business could be brought up on Facebook.

The more people writing about this topic, the more knowledge can be spread. All research within the area is helpful for companies establishing on Facebook.

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APPENDIX

Interview data

Following questions were sent to Julius Nilsson at Pay2n in advance of the interview.

What is Pay2n?

When did Pay2n start? (History)

How is the Pay2n organisation structured?

What is Pay2n's general strategy (if there is any)?

- o Goals?
- o Visions?
- o Positioning?
- o Trade-offs?
- o Target population?

Generic strategies?

- o Overall cost leadership?
- o Differentiation?
- o Focus?

Who is Julius Nilsson? Why are you relevant as the only source from Pay2n? What role do you have at Pay2n? (We need to prove this in some way)

Does Pay2n have any strategy for Facebook (if not, is there any reason for that)?

What possibilities do you think Pay2n has got on Facebook?

How does Pay2n work with Facebook?

What expectations do you/Pay2n has for Facebook?

What concerns do you have for Facebook?

Does Pay2n have a budget for Facebook?

Is there a choice for Pay2n to not be represented on Facebook?

Is Pay2n represented in any social media today?

What companies are Pay2n's competitors?

Does Pay2ns competitors have Facebook pages?

How do the competitors Facebook pages works?

Questions from the literature, Eriksson (2005):

Is the company (Pay2n) going to expand much national/international in the coming years?

Is there any expected major changes in the ownership structure, business strategy or competitor picture?

Selection of sender- who is a suitable sender of a certain message?

        - Executive Director or Immediate Supervisor for intern communication?

        - The company's own spokesperson or a partner?

Selection of channel- which combination of channels is going to be chosen to get the most impact?

Selection of target- which ones do you want to reach?

        - Which ones do you want to have a dialogue with right now?

        - Which ones are not as important to have a dialogue with right now?