

Væg

Oplysninger

Max the Music

Billeder

Links

Begivenheder

Video

Spørgsmål

Om

www.pepsimax.dk

39.283

personer synes godt om dette

Synes godt om-
tilkendegivelser

Vis alle



Joey Moe



Morten Breum



Nik & Jay



YouListen.dk

Pepsi Max Danmark

Mad/Drikke



BRAND BUILDING THROUGH SOCIAL MEDIA

— HOW CAN PEPSI MAX LEVERAGE THE NEW OPPORTUNITIES?

M.SC.THESIS BY: SANDRA ELISE NISSEN

ADVISOR: THOMAS QUECK

DEPARTMENT OF MANAGEMENT,
POLITICS AND PHILOSOPHY

WORD COUNT: 181.822 (~80 PAGES)

HAND IN DATE: 29TH JUNE 2011

M.SC.MARKETING COMMUNICATION MANAGEMENT
COPENHAGEN BUSINESS SCHOOL

Executive Summary

The social media revolution and the development of digital technologies have caused a new environment. This has challenged marketing managers as well as the traditional mass media since within the last couple of years the social media and Facebook in particular has experienced a significant growth. Facebook changes the conditions of communication by placing the consumer in the center of the communication, why companies present at Facebook should have a clear strategy for their investments.

This thesis has been prepared for Pepsi Max and the objective has therefore been to analyze to what extent Facebook can build the Pepsi Max brand, and analyze how Pepsi Max can leverage Facebook in order to strengthen the brand.

Despite the new environment, no new branding frameworks for how to measure brand strength has been developed. Instead, a brand equity framework based on Keller and Aaker's brand equity models have been conceptualized and made applicable for Pepsi Max. Included in this framework is the level of involvement which is used to prioritize between the different brand equity levels. Based on this framework, the level of involvement within the CSD category was identified as being low, which made it possible to weight the different levels (50% awareness, 30% evaluations, 20% relationship). By applying the framework and thus measure the three levels of brand equity, Pepsi Max' key objectives have been identified as being *1. Increase awareness* and *2. Strengthen positive evaluations*.

In order to analyze the Facebook functions, a framework for categorizing these was conceptualized. First, a link was established between the branding and communication objectives, and next the functions were categorized according to the IMC Mix Model. By using this framework, the functions were analyzed and a significant difference between fans and non-fans was identified since being a fan of Pepsi Max increases awareness with 14.9%, evaluations with 51.6% and relationship with 50.7%. Furthermore the analysis identified the extent to which Facebook can build the Pepsi Max brand since the analysis showed an increase in the brand equity score of 3.88 (scale 1-10).

Finally a Facebook strategy was made in order to find out how Pepsi Max should reach their objectives. This showed, that Pepsi Max should use the Facebook functions "*sponsored stories*" and "*advertising*" in order to increase awareness and "*comment*" and "*wall post*" in order to strengthen evaluations.

Table of Contents

Chapter 1: Introduction	3
1.1 POE Media	4
1.2 Introducing Facebook.....	5
1.3 New Marketing Objectives?.....	6
1.4 Presentation of Pepsi Max.....	6
1.5 Problem Statement	8
Chapter 2: Methodology.....	10
2.1 Scientific Approach.....	10
2.1.1 Ontological Assumptions	11
2.1.2 Epistemological Assumptions	11
2.1.3 Induction/Deduction.....	12
2.2 Research Design.....	12
2.2.1 Validity and Reliability	13
2.2.2 Data Collection.....	14
2.3 Structure of the Thesis	14
Chapter 3: Brand Strength Framework	17
3.1 Defining Brand Equity	17
3.1.2 Brand Equity Elements.....	20
3.2 Conceptualization of Pepsi Max' Brand Equity Framework	24
3.3 Consumer Involvement	26
3.3.1 High vs. Low Involvement.....	27
3.3.2. Measuring Involvement.....	27
3.4 Construction of the Brand Equity Variables	29
3.4.1 Brand Awareness Variables	29
3.4.2 Brand Evaluations Variables.....	31
3.4.3 Brand Relationship Variables.....	35
3.5 Sub-conclusion.....	37
Chapter 4 Analysis of Pepsi Max' Customer-Based Brand Equity	39
4.1 Involvement Level within the CSD Category	39
4.2 Current Level of Pepsi Max' Brand Equity	42
4.2.1 Measuring Brand Awareness	42
4.2.2 Measuring Brand Evaluations	43
4.2.3 Measuring Brand Relationship.....	44

4.3 Relationship between Involvement and Brand Equity	45
4.4 Sub-conclusion	46
Chapter 5 Categorizing the Facebook Functions	47
5.1 Effect Hierarchies.....	47
5.2 Media Instrumentality	49
5.3 Media Activities	51
5.4 Facebook Functions Grouped According to IMC and their Instrumentality	53
5.4.1 Advertising	53
5.4.2 Sponsorship	54
5.4.3 Corporate Communication	56
5.4.4 PR.....	56
5.4.5 Sales Promotion.....	57
5.5 Grouping of Facebook Functions	58
5.6 Sub-conclusion	59
Chapter 6 Analysis of Pepsi Max' Facebook Functions	60
6.1 Construct validity	60
6.1.1 Correlation between functions	61
6.2 Fans vs. Non-fans.....	62
6.3 Facebook Functions Effect on the Brand Equity Levels.....	63
6.3.1 Scorecard.....	65
6.4 Sub-conclusion	66
Chapter 7 Strategy for Pepsi Max' Investments on Facebook	68
7.1 What is a Strategy?.....	68
7.1.1 Facebook Strategy Context	68
7.1.2 Facebook Strategy Process.....	69
7.1.3 Facebook Strategy Content	70
7.1.4 Framework for Pepsi Max Facebook strategy.....	72
7.2 Applying the Framework	72
7.3 Sub-conclusion	73
Chapter 8 Conclusion	75
8.1 Thesis put in Perspective.....	77
9 List of references	79
10 Overview of Appendix	83

Chapter 1: Introduction

We live in a dynamic world, which is in constant change. Just a few years ago we were all talking about the information revolution - today we are witnessing a *social media revolution* (Harvard, 2010). Marketing managers are facing great challenges with declining trust from consumers, a proliferation of media causing a fragmented media picture and digital technologies that give consumers more control of their media consumption. Within the social media revolution, many new concepts have emerged. An example is *Web 2.0* which is a tool for consumer and citizen empowerment (Jones et al., 2009) and is described as a social web where participants navigate through a shared socially constructed understanding of meaning (Jones et al., 2009). The social web has also given birth to a new concept of professional consumers called “*prosumers*” (Jones et al., 2009) as well as the concept of “*consumanagers*”, due to a shift from passivity to activity, where consumers turn into managers who, by assuming a new co-managerial role, are influencing and shaping the future of business (Jones et al., 2009). In the social web, a new branding approach has emerged, where conversations are not initiated by marketers but instead customers take the lead and possibly help keep the brand alive, and the social web thus allows a company’s stakeholders to co-create brand image and reputation (Jones et al., 2009).

The social web has opened up new possibilities for content building and massively increased sharing and participation among web users (Jones et al., 2009). This development has led to the concept of “*socialcasting*” which is central and critical to the whole aspect of the social web and includes participation, collaboration and exchange (Jones et al., 2009p. 931). “*Too many companies have not evolved from what I call ‘shout marketing’ – think TV, newspapers, magazine ads – to influence by initiating and participating in conversations with consumers*” (Harvard, 2010 p. 1). However, it’s important to keep in mind, that “socialcasting” has not replaced broadcasting why broadcasting is still an important and legitimate tool for corporate communication (Jones et al., 2009). It implies that in the social web there is only little space for monologue since companies no longer simply can create a message and communicate it to their audiences, which challenges marketers to find new ways of interacting with consumers.

The social media revolution we are witnessing and the development of digital technologies has caused that the traditional mass media are being challenged by a number of “new media” such as blogs, social networks, wikis, newsgroups, forums etc. which together constitutes the

concept “*social media*”. In this new world of social media, corporate reputation can easily be enhanced or permanently damaged (Jones et al., 2009), since these new media change the basic communication conditions by placing the user in the center of communication. Increasingly, companies are seeking to create online communities around their brand. However, this is a risky environment and corporations need to be creative as well as transparent and honest in order to captivate and communicate effectively with their target groups (Harvard, 2010).

1.1 POE Media

In the changed environment, a new concept called POE media has also emerged composed of three categories; *paid*, *owned* and *earned* media (Markedshorisont, 2010a) (Edelman, 2010). The mass media groups have traditionally been divided in a very stereotype manner, since they have been divided into categories such as online- and offline media etc. (Grønholdt & Christensen, 2006). They have thus reflected the products, but not the way the user actually uses them on a daily basis (Markedshorisont, 2010a). If a marketer instead chooses to see the media landscape from the user’s point of view, media become much more a fluid ecosystem, where things happen across user behavior and on different platforms (Markedshorisont, 2010a). The concept of paid media cover the “traditional” paid media channels e.g. TV, print, outdoor, online display and radio whereas owned media cover the channels a brand controls such as websites or events etc. (Edelman, 2010). Earned media are the customer-created channels (Edelman, 2010) and cover the publicity or reputation the advertiser qualifies for. Earned media demand a pronounced different approach than the paid media since the advertiser does not have direct control over timing or what is being communicated. It consists more of long-term strategies. Results do not happen overnight and the advertisers should thus be more willing to engage in long-term investments (Markedshorisont, 2010a). Examples of earned media are blog-mentions, reviews, Facebook fans and PR. Earned media thus focus on creating a dialogue between the consumer and the advertiser.

With the increasing focus on social media today, we are slowly moving away from focusing entirely on paid media into focusing more and more on earned media. This causes for the traditional mass media or paid media to experience a decline in readership, number of viewers, number of listeners etc. (TNS Gallup). It consequently becomes difficult to reach the consumers, especially the younger segment, through the paid media, since they, to a considerable extent, choose to neglect the traditional media in their media consumption (TNS Gallup).

1.2 Introducing Facebook

Facebook is a *social medium* which acknowledges all the above mentioned new concepts, since it is a platform for consumer and citizen empowerment and thus a part of the *Web 2.0*. Facebook places the user in the center of communication and is accordingly a platform for the “*prosumers*” and “*consumanagers*”. Facebook includes the concept of “*socialcasting*”, since sharing and participation are key functions on the platform. Facebook can also be described as being a *paid* (e.g. display banners on Facebook), *owned* (e.g. having a Facebook Fanpage) and *earned* media (e.g. having a Facebook Fan), and can for some brands fit into all stages in the consumer decision journey.

Facebook has more than 600 million users worldwide and Facebook’s CEO reports that the site will have more than 1 billion users in 2011 (Harvard, 2010). It is a user generated medium where social relationships are the main focus. Facebook provides a platform, where the members can stay in contact with their network by sharing their life through status updates, pictures etc. By using Facebook, advertisers can reach millions of potential customers in new ways. However, marketers need to be aware that by using Facebook, they change the conditions of communication compared to the traditional and paid media as mentioned above. The consumers need to be activated and involved in the communication, and the communication is thus going to deal with presence, involvement, activation and relevance, and more focus should be paid to the consumers’ actual needs (Orfelt, 2008).

Today, digital and media agencies recommend that marketers allocate money to social media. The annual Trend Analysis from TNS Gallup showed in the beginning of 2011 that 72% advertisers are planning to use social media in 2011, and that 82% would increase their investments concerning social media. However, when it comes to investments in the social medium Facebook, many advertisers have had bad results, since the way of using and exploiting the medium still holds an element of uncertainty (Markedshorisont, 2010b). The majority of companies are still struggling with how to best use the functions, gauge their effectiveness and integrate social media into their strategies (Harvard, 2010). Organizations do therefore not yet exploit the unique opportunities social media provide when it comes to measuring, analyzing and participate in conversations that exist between the users. Nearly one-third does not measure effectiveness of social media (Harvard, 2010) and many seem more focused on “making noise” about their company and products, and less on understanding and

participating in the conversations already going on about them on the social web (Harvard, 2010).

1.3 New Marketing Objectives?

The emergence of the new concepts as well as the enormous growth of Facebook users, question whether there is a need for new marketing objectives. How marketing affects the consumer and how marketing works are two areas which have been studied for decades and have been the objects for many scientific research journals¹. Yet, how investments in Facebook affect the consumers is a new and unexplored area.

Many researchers have previously believed that marketing's unique task was to increase market share or sales and thus increase profit. Nevertheless, this is not necessarily the only role of advertising (Vakratsas & Ambler, 1999). The purpose of marketing can be much more long-termed, e.g. to strengthen and position the brand in the minds of the consumers. Throughout the time, many different branding models have been proposed and several of these are still widely used today despite the fact that many are quite old. The question is if these models still work and can be used today in order to set up marketing objectives for the advertisers when new digital technologies change the conditions for the marketing investments?

When deciding the specific marketing objectives, these should be integrated in an overall strategy and since the new concepts and Facebook cause new marketing objectives it becomes interesting to research if this also causes the need for a new formulation of strategy as well.

1.4 Presentation of Pepsi Max

A brand facing the challenges of setting the right marketing objectives and deciding upon a strategy for their Facebook investments is the light-cola brand Pepsi Max. Pepsi Max is a fast-moving-consumer-good (FMCG) placed within the carbonated-soft-drink (CSD) category. Royal Unibrew holds the license of Pepsi Max in the Danish market, and their key competitors are considered to be all low calorie carbonates, since increasing health and wellness concerns among the general population have helped the appeal of low-calorie carbonates to broaden (Euromonitor, 2010) (for more information about the CSD category, see appendix 1).

Pepsi Max has a brand identity based on 16 statements which together should characterize Pepsi Max as e.g. *“the edgy, but broad appealing cola alternative”* (appendix 2). Brand identity is a unique set of brand associations that the brand strategist aspires to create or

¹ Vakratsas & Ambler (1999) studies for example more than 250 academic journals that deal with the subject.

maintain (Aaker, 1996). These associations represent what the brand stands for and imply a promise to consumers (Aaker, 1996). Pepsi Max has a profile that currently is quite similar to Coca-Cola Zero. Coca-Cola Zero is however even more masculine than Pepsi Max. Coca-Cola Light has introduced a very feminine profile and is currently the cola brand that appeals directly and solely to women. Pepsi Max is thereby under pressure from two much diversified light cola brand profiles in the Coca-Cola portfolio.

The choice of Pepsi Max is among other things due to the fact that this advertiser is present on Facebook and continues to invest in the medium. Pepsi Max' vision in 2011 is to: *"...be the innovative and creative cola on the Danish market and via an attractive product portfolio and clear communication concepts increase market shares"* and *"...to make Pepsi Max the biggest non-sugar cola in Denmark..."* which they will do by increasing awareness, increasing trial and consider diversified advertising for Pepsi Max (Royal Unibrew).

Pepsi Max has initiated Facebook investments to enhance the brand identity (Kim Villadsen, Royal Unibrew). However, at a meeting with Royal Unibrew's media agency Mindshare, it became clear that besides the objective of enhancing the brand identity statements, Pepsi Max did not have any specific objectives for using Facebook (Anders Christiansen, Mindshare). It was consequently Mindshare who framed the objectives, after the company had been investing in Facebook for some time without having any goals of what the investments should generate.

The purpose with their presence on social media became to build a closer relation between Pepsi Max and Danish "popular music" fans by increasing the involvement in the target group. Pepsi Max should be branded as a music committed brand who gathers fans around exclusive content, music and backstage experiences. The operational objective was consequently to create a closer relation between Pepsi Max and their consumers by building a community of 50.000 fans before 2012, to increase the brand potential and qualified awareness and to provide Pepsi Max with a strong music profile.

This purpose and these objectives have not been specified any further, why it is not defined what is meant with e.g. increasing brand potential. It is therefore not clear what the specific objectives are, and it has not been taken into account whether or not these objectives match the new marketing objectives that the social media revolution has caused. Furthermore, it has not been clarified if these objectives have been made for the brand or for the communication.

1.5 Problem Statement

Just like any other advertiser on Facebook, Pepsi Max also experiences challenges when it comes to measuring what effectiveness Facebook can generate as well as researching if Facebook is the correct platform to use in order to strengthen their brand. To cope with these challenges, the objective of the thesis is thus to answer the following problem statement:

To what extent can the social medium Facebook build the Pepsi Max brand and how can Pepsi Max leverage Facebook in order to strengthen their brand?

The problem statement includes both dimensions of the classical conditioning theory (or the Stimuli-Response model). In order to answer this problem statement, it is necessary first to establish which *response* the marketing investment should generate, which should be to increase brand strength. Afterwards, it should be researched how Facebook as *stimuli* can condition this response by making a specific Facebook strategy for the investments.

1. How can the Pepsi Max' brand strength be measured?

In order to establish the objectives and research how brand strength can be measured, it is first necessary to establish a theoretical framework which can be used for measuring brand strength.

2. What is the current level of Pepsi Max' brand strength?

Based on the theoretical framework, an empirical analysis among the target group is executed in order to research Pepsi Max current level of brand strength. The objective with answering this question is to find out where Pepsi Max experiences challenges in order to find out which response should be Pepsi Max' overall branding objective.

3. How can Facebook functions be categorized?

Having established the objectives for increasing brand strength, next step is to research how investments on Facebook can condition this response. Before this can be researched, it is necessary with a theoretical framework for how the various functions on Facebook as communication means can be categorized.

4. To what extend can the functions on Facebook build Pepsi Max' brand strength?

The first three research questions have been prerequisites for answering the key question which includes an empirical analysis of how the various Facebook functions actually affect the

consumers' evaluation of the Pepsi Max brand. By using the framework conceptualized in research question three, it thus becomes possible to research to what extent Facebook functions can increase brand strength.

5. Which strategy can be made considering the stimuli and response to strengthen the Pepsi Max brand?

This research question considers how a specific Facebook strategy should be formulated by outlining a framework but not including a detailed plan. The objective with this framework is to answer the problem statement of how Pepsi Max should leverage Facebook in order to strengthen their brand.

Chapter 2: Methodology

2.1 Scientific Approach

When deciding upon scientific approach, it is important to bear in mind that the choices made are not the only possible ones but have consequences for this thesis (Fuglsang & Olsen, 2004). When answering the problem statement, this will thus only be one of many solutions, since another scientific approach would probably have given a different result (Fuglsang & Olsen, 2004).

How research should be conducted is embedded in the broader philosophies of science and is based on reasoning (theory) and observations (data or information) (Blumberg et al., 2008). How the two are related to each other is still an ongoing and old philosophical debate on the development of knowledge. The two most distinguished research philosophies are *positivism* and *interpretism* (or phenomenology) which are often expressed as polar opposites, and between these, various other research philosophies exist, but all rely on some principles of positivism or interpretism (Blumberg et al., 2008). Positivists have a common attitude towards science which needs to be empirically founded and tested in relation to observations and not according to theory (Fuglsang & Olsen, 2004). In contrast to positivist, interpretivist believes that social reality does not exist but is produced through the interpretations and actions of individuals, and research thus emerges from the participant rather than the observer (Blumberg et al., 2008).

The scientific approach for this thesis will be that of positivism. This means, that there will not be focus on the consumers internal processes i.e. their inner emotions and thoughts or how they reflect, but only what exists externally and is observed objectively. Considering the traditional S-O-R model, the internal processes correspond to the “O” or “organism”, which will be disregarded in this thesis.

The problem statement directs the thesis in a normative direction, since the purpose of this thesis is to come up with a strategy for Pepsi Max marketing investments on Facebook. The normative or problem-solving research method suggests solutions to diagnosed problems (Andersen, 2005), and according to Blumberg et al. (2008), all research should provide and answer to a question. In order to suggest solutions and thus answer the problem statement, two things need to be examined. First is an examination of Pepsi Max’ brand strength in order to define which marketing objectives their marketing investments should generate (response). Second is an examination of what effect investments in the various Facebook functions can

generate (stimuli). The scientific objective for answering these two questions is to identify casualties so that the relationship between the stimuli and response can be understood in order to prioritize future marketing investments on Facebook.

2.1.1 Ontological Assumptions

Ontology discusses how the world in reality is constituted and thus concerns the essence of the researched phenomenon (Fuglsang & Olsen, 2004). In relation to this thesis, the ontological assumptions are concerned with this thesis' view on how to study Pepsi Max' investments on Facebook in relation to increasing brand strength.

The positivist position believes that research is value-free, which means that the beliefs of the researcher do not have any impact on the way in which data is collected or analyzed (Blumberg et al., 2008). The positivistic tradition originates from the natural science, where an explanation of the world is what can be observed or reasoned through logic and hereby help explain the correlation or casualties - which in case of this thesis is between investments on Facebook and brand strength – and the objective for positivists is to establish general legalities (Fuglsang & Olsen, 2004).

The thesis will adopt a modern positivistic view believing that science is an *explanation* of the world, not a true *depiction* of the world (Fuglsang & Olsen, 2004). The reason why this distinction is important is that scientific statements always must be possible for others to empirically test. This again calls attention to the fact that research needs to be objective, so that the results appear as reliable as possible. This is also why this thesis applies a quantitative focus, since qualitative analysis results are often subject to researcher bias (Andersen, 2005).

2.1.2 Epistemological Assumptions

As mentioned above, ontology discusses how the world is constituted whereas epistemology discusses *how we are able to know* something about the world (Fuglsang & Olsen, 2004). The epistemological discussion concerns whether true knowledge exists and how we are capable of knowing if this knowledge is true (Fuglsang & Olsen, 2004).

As a consequence of leaning towards a modern positivistic ontology, the thesis adopts a modern objectivistic epistemology where science does not give the objective truth of the world, but is an objective explanation of the world, whether it is an observed or logic explanation of reality (Thurén, 2004). The modern positivist strives towards accuracy i.e. to build the science on the most secure empirical foundation. This has implications for this thesis, since it implies

that the empirical data, which are applied in the analysis, should be of quantitative character, since they must be testable whereas qualitative results in research are poorly comparable. Thus the empirical data about Pepsi Max are considered as an objective explanation about Pepsi Max, and what can be logically deducted or observed here is seen as a conclusion to the problem statement.

2.1.3 Induction/Deduction

For positivists, the method of reasoning consists of collecting data and subsequent to use theoretical processing of the collected data through statistics (Fuglsang & Olsen, 2004) and includes a deductive or inductive method. The first method is in the line of arguments whereas the latter is in the line of discovery.

Induction means that one draws general conclusions from empirical facts (Andersen, 2005). This thesis' method of reasoning is deductive in the sense that the thesis deducts legality from theory and then proceeds to operationalize it. This implies that conclusions on single observations are based on general theories, which is an appropriate method when seeking to find causalities about a specific company (Andersen, 2005). This place certain importance upon the applied theory, since the quality of the thesis' analysis is highly dependent on the theories that are applied and creates the knowledge base, which again is applied to the empirical data and the specific problem statement.

Yet again, by applying a modern positivistic perspective with a deductive method of reasoning, this is often associated with a quantitative study, since the scientific objective is often to complete a causal study. Consequently, a quantitative method is predominant throughout the thesis but qualitative reasoning will be included to some degree.

2.2 Research Design

The design of any research should be planned carefully to yield results that are as objective as possible why the research design should be thoroughly planned (Blumberg et al., 2008). In a problem-solving/normative research design the objective is to find solutions to diagnosed problems by studying causalities for this thesis between marketing investments on Facebook and increasing brand strength. The approach of this thesis will focus on the quantitative method in the collection, analysis and interpretation of the data. This thesis also includes a causal research design which is designed to collect raw data and create data structures that will enable the researcher to determine cause-and-effect relationships between two or more decision variables (Hair et al., 2006). *“This design is most appropriate when the research objectives*

include the need to understand which decision variables (e.g., advertising) are the cause of the dependent phenomenon (e.g., sales) defined in the research problem” (Hair et al., 2006). For this thesis, the decision variable includes marketing investments on Facebook (stimuli), and the dependent phenomenon includes increasing brand strength (response).

2.2.1 Validity and Reliability

The researcher should report any flaws in procedural design and estimate their effect on the research findings, since some imperfections may have little effect on the validity and reliability of the data, while others may ruin them entirely (Blumberg et al., 2008). Validity means the general consistency between the theory and the empirical data applied and how relevant the empirical data are for solving the problem statement (Andersen, 2005), whereas reliability indicates the degree to which the results of the applied method is affected by coincidences or how correct the method is. This should be taken into consideration when conducting the research as well as when analyzing the findings since validity and reliability are a critical review of the quality of the methods applied.

The thesis is prepared for Pepsi Max and since I work at the media agency Mindshare, this means that I have been granted access to valuable sources of secondary data including TNS Gallup as well as the Royal Unibrew tracking data (from now on called RU tracking). By using this secondary data, I have received a larger sample size which affects the validity and reliability of the research results.

Both the scientific approach as well as the research design supports a quantitative method, thus statistically the empirical data have high validity since the data collection, both primary and secondary, is of quantitative nature. Furthermore as mentioned above, I have had the opportunity to use data collected by Mindshare, why the sample sizes are much larger than if I had conducted my own research. The analysis is made by first establishing a theoretical framework and afterwards using this empirically, and I will continuously throughout the analysis relate to the validity of the research design.

The reliability of the quantitative data are considered high since TNS Gallup, the RU tracking as well as my own Facebook questionnaire use closed-end questions which are well constructed with questions that capture the respondent's thoughts and feelings about the represented brands. However, there is a risk that closed-end questions lack details or depth, but regarding the reliability it minimizes the risk of misinterpretation, which increases the

reliability of the results based on the data. Therefore, the quality of the methods applied in the thesis is considered appropriate for answering the problem statement.

2.2.2 Data Collection

For answering the problem statement, several different sources of data collection has been used. In line with the positivism, all of them include quantitative research designs, and the data collection has been through questionnaires. A questionnaire is a formalized framework consisting of a set of questions and scales designed to generate primary data (Hair et al., 2006). One major advantage of questionnaires is their ability to quickly accommodate large sample sizes at relatively low costs (Hair et al., 2006) as well as collecting quantitative data that can be used with advanced statistical analysis to identify trends in the data. As mentioned earlier, even though quantitative data are easy to administer and process, they may lack the versatility that qualitative data can result in, since quantitative data are represented by numbers whereas qualitative data are represented by everything else (text, film, photos etc.) (Andersen, 2005).

A prerequisite for using numbers is that there has already been established some categories that make up the researched unit, from which we can count or analyze the specific unit (Andersen, 2005). This is usually done through qualitative research, but for this thesis, the categories that make up the researched units have been established by using theory which has been gathered in two different theoretical frameworks (chapter 3 and 5). This is in line with the positivistic method of reasoning by deducting legality from theory and then proceeding to operationalize it with quantitative empirical data.

In order to answer the problem statement, the data collection will include primary data gathered through a Facebook questionnaire as well as secondary data by using RU tracking as well as TNS Gallup and Mindshare 3D. In the RU tracking I have had the opportunity of including own measures. A detailed review of the data collection is enclosed in appendix 3.

2.3 Structure of the Thesis

The first two chapters, Introduction and Methodology, have directed the reader through the conditions for *why* this thesis is made and *how* it is carried out.

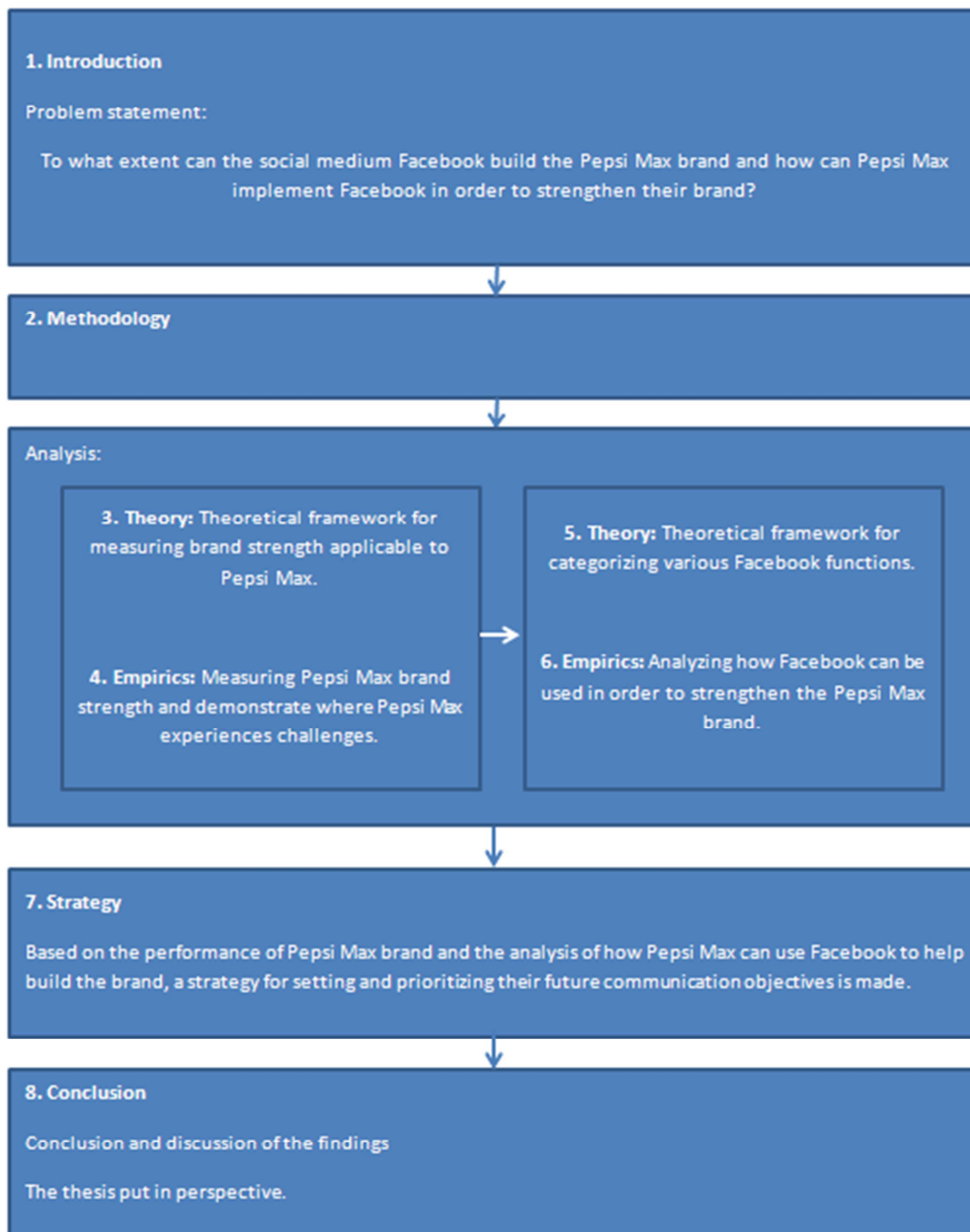
The five research questions structure the body of this thesis which is divided into three parts. The first two parts cover the first four questions based on the S-R model and constitute the chapters from three to six, and the last part covers the fifth question by formulating a Facebook strategy for Pepsi Max.

The first two research questions will cover chapter 3 and 4; chapter 3 will establish the theoretical framework for measuring brand strength and chapter 4 will empirically measure the Pepsi Max brand strength through the means of the theoretical framework. The objective of these two chapters is to identify the current level of brand strength and demonstrate where Pepsi Max experiences challenges in order to be able to set and prioritize between different objectives. The next two research questions will cover chapter 5 and 6. Chapter 5 will establish the theoretical framework to be used for categorizing various Facebook functions. This chapter will consider different Facebook functions and how they can be used. Chapter 6 will empirically research the effect of the different functions based on the established framework.

Based on the answers to the first four research questions, chapter 7 will answer the fifth research question and propose a strategy for Pepsi Max' future investments on Facebook, by using the findings generated in the analysis.

The thesis is finally concluded in chapter 8 with a discussion of the results the analysis has generated. The conclusion is followed by putting the thesis into perspective by briefly covering issues that could have been interesting to investigate in relation to the problem areas of the thesis.

Model 1: Structure of the Thesis



Source: own contribution

Chapter 3: Brand Strength Framework

Due to the social media revolution, the shift from consumer passivity to activity and the new digital technologies, this has changed the conditions for the marketing investments as mentioned in the introduction. This questions if there is also a need for establishing new marketing objectives. The marketing objective for Pepsi Max is to strengthen their brand and amongst theorists (e.g. Aaker (1991, 2002), Keller (1993, 2008) or Kapferer (1997)), there is a common agreement that brand equity is the key concept for evaluating the strength or value of a brand.

Keller states that: *"Though the eventual goal of any marketing program is to increase sales, it is first necessary to establish knowledge structures for the brand so that consumers respond favorably to marketing activity for the brand"* (1993). Today, focus is therefore much more on creating emotional mental associations with the brand so that it is stored in consumers' minds and creates a strong brand for the company (Lambin, 2000). Branding and brand building should focus on developing brand value (Kapferer, 1997), and branding therefore leads to an extended effect of marketing, why the objective for many organizations is to increase brand equity. Brand equity relates to the added value a brand has, and knowledge about brand equity is therefore of great importance for the marketing strategy since *"Perhaps a firm's most valuable asset for improving marketing productivity is the knowledge that has been created among the brand in consumers' minds [...]"* (Keller 1993).

In order to measure brand equity, it is necessary with a theoretical foundation, since *"advertising objectives are best set if they are based on some underlying theory or model that expresses the laws or principles by which advertising works"* (Davidson, 1994). In the following, a framework is therefore conceptualized, so that Pepsi Max' brand equity can be measured against this, which includes both the theory surrounding the concept of brand equity as well as the theory surrounding consumer involvement, why it is essential to elaborate on and discuss both concepts and define this thesis' understanding of them.

3.1 Defining Brand Equity

In the past years, brand equity has become one of the most debated topics among professional business drivers as well as academic practitioners. The concept refers to a brand's strength and has evolved since traditional marketing data such as market share and volume are not sufficient to reflect the brand's value, since these do not include the associations that exist in the

consumer's mind (Lambin, 2000). Brand equity is defined as: "... *a set of assets (and liabilities) linked to a brand's name and symbol that adds to (or subtracts from) the value provided by a product or service to a firm and/or that firm's customers.*" (Aaker, 1996).

Various definitions of the concept exist in the branding literature², which illustrates the different perspectives on the topic. These different perspectives can be divided into two superior perspectives, a financial perspective and a customer-based brand equity perspective (Franzen, 1999). The former defines brand equity as a financial asset of the company and the latter defines brand equity on a customer level, seeking to map the mind of the customer and evaluate the strength hereof.

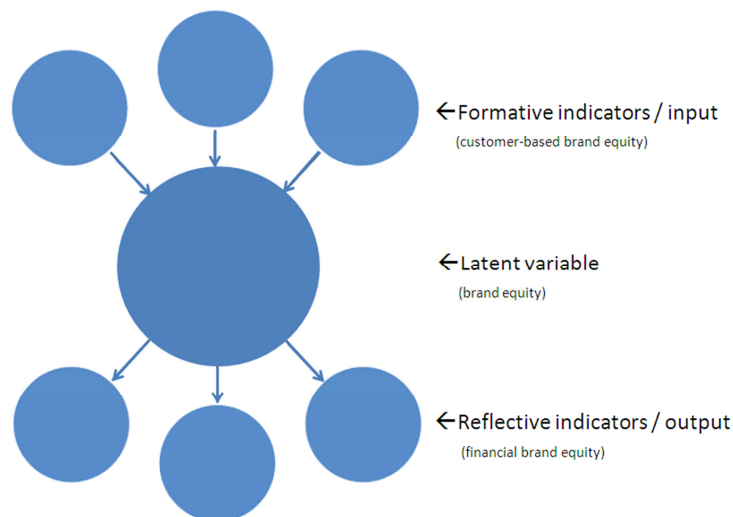
The financial perspective on brand equity emerged on the basis of a number of company takeovers in Europe and USA during the 1980s where the purchase value of the companies exceeded the actual book value (Kapferer, 1997). The motivation for estimating the financial brand equity is typically for accounting purposes or in case of mergers and acquisitions (Keller, 1993). This means that from a financial perspective value is measured in money, and Kapferer (1997) suggests that all intentions behind a brand essentially are financial. A firm needs to be profitable, and the wealth and survival is determined by the firm's ability to create a competitive advantage over competitors in terms of creating superior value to the market. The sources of wealth are found in the brand attributes, which enable the firm to produce a market offering that has value to the customer. However, the brand attributes do not constitute value in itself, if it does not translate into a profitable product or service (Kapferer, 1997). The attributes needs to be managed, and if they are managed properly, financial brand equity is achieved as an outcome of the branding.

As the second perspective, customer-based brand equity refers to the value of the brand from the customer point of view. This includes the associations made by consumers, which develop and produce the brand's strength (Lambin, 2000). Customer-based brand equity occurs "[...] *when the consumer is familiar with the brand and holds some favorable, strong, and unique brand associations in memory.*" (Keller, 1993). This can be either positive or negative if consumers react more or less favorable towards the brand (Keller, 1993). This is important because the more accommodating consumers behave towards the brand, the higher the level of positive customer-based brand equity.

² For further definition of the concept, see appendix 4.

One way of perceiving these two concepts is to apply the concept of formative or reflective indicators. A latent variable can be described as variables that are not directly observed but are rather inferred from other variables that are observed. Opposite to latent variables are observed variables, which can be observed and directly measured. Formative indicators (or cause indicators) are observed variables that are assumed to cause the latent variable (Diamantopoulos & Winklhofer, 2001). For reflective indicators, or effect indicators, the latent variable causes the observed variables, and most researchers assume that indicators are effect indicators, why cause indicators are neglected despite their appropriateness (Diamantopoulos & Winklhofer, 2001). Formative indicators can be viewed as input whereas reflective indicators can be viewed as output. The below model illustrates the difference between reflective and formative indicators.

Model 2: Relation between Formative and Reflective Indicators



Source: own contribution

The latent variable can for this thesis be characterized as brand equity as illustrated in the above model, since brand equity is not directly observed. Financial brand equity reflects the brand's performance or output in the market as a whole, making it a reflective indicator. Customer-based brand equity is assumed to cause brand equity, and is consequently viewed as a formative indicator. Since the objective for this thesis is to strengthen the Pepsi Max brand, the important thing to research is the variables that are assumed to cause brand equity, why attention is given to the customer-based brand equity as this is a formative indicator. Financial brand equity is therefore not appropriate as an analytical marketing tool for this thesis.

Kapferer (1997) unifies the two perspectives on brand equity, since he states that customer-based brand equity is causing financial brand equity and his definition of brand equity includes brand assets, brand strength and brand value. He theorizes brand equity as a conditional sequence, where the same brand assets may produce different brand strength over time, depending on competition or distribution, and the ability of the firm to deliver profits (Kapferer, 1997). Franzen (1999) has similar to Kapferer conceptualized brand equity by using both perspectives. His definition is in two levels, made up of three components, where he integrates both perspectives. The first level is the customer level, which consists of mental and behavioral brand equity, and the second level is the financial/economic brand equity.

The first level is equivalent to what Kapferer (1997) identifies as brand assets and brand strength as mentioned above, and resembles what Keller has named customer-based brand equity. The mental brand response is thus the cognitive and affective perspective on brand equity, since it covers the consumer's mental response to marketing activities. Behavioral brand response originates from the behaviorism and covers the behavior which is caused by marketing activities. In the second level, Franzen (1999) defines financial brand equity as the influence customer-based brand equity has on the brand's financial performance in the market and is thus equivalent to Kapferer's brand value. These two levels can also be viewed as respectively formative and reflective indicators, since the first level (mental and behavioral brand equity) is causing brand equity and the second level (financial brand equity) is caused by brand equity.

In this thesis' definition of the brand equity concept, customer-based brand equity is recognized as a prerequisite for financial brand equity, as the elements in customer-based brand equity causes financial brand equity. However, since the objective of this thesis is to research if marketing investments on Facebook can help build a stronger brand for Pepsi Max, this thesis will focus on customer-based brand equity as a formative indicator.

3.1.2 Brand Equity Elements

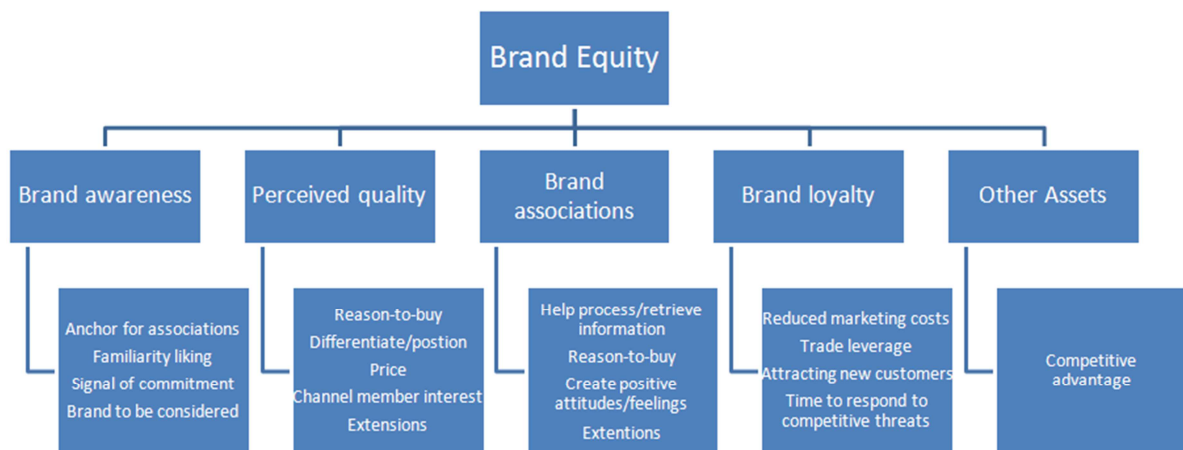
There exist many frameworks for how to measure, manage and conceptualize brand equity. Two of the mostly quoted theorists are Aaker (1991, 2002) and Keller (1993, 2008), whose brand equity models are highly applicable. Kapferer (1997) has also made a model for brand equity, but his view of brand value is monetary and includes intangible assets. Furthermore,

when analyzing the brand “context” and hence researching which analysis that needs to be conducted in order to derive brand identity, Kapferer (1997) focus on the corporate identity and thus the founders’ values and ethics as well as company focus and culture. Kapferer consequently adopts an inside-out view, whereas Aaker and Keller adopt an outside-in view since they focus on customer analysis, competitor analysis and self-analysis (Aaker, 1991) and customer segmentation (Keller, 1993).

To conceptualize a brand equity framework for Pepsi Max, the elements included in Aaker and Keller’s brand equity models will be included, since this thesis’ view on brand equity is customer-based. Moreover, since the two frameworks of Keller and Aaker include the dimensions which are suggested in most conceptualizations of brand equity³, these are therefore applied in the review below.

Aaker (1991) was one of the first to conceptualize a model of what brand equity is composed of. The model is based on five elements that build brand equity: *Brand awareness*, *brand associations*, *perceived quality*, *loyalty* and *other assets*.

Model 3: Aaker's Brand Equity Model



Source: adapted from Aaker (1996)

The essence of Aaker’s interpretation is *values added* to the product through the perception in the minds of the consumers (Aaker, 1996). This value is a function of several facets, which

³ Kapferer (1999) also includes the level of brand awareness as well as level of perceived quality.

Aaker refers to as assets grouped into the above five categories. These values, which brought together represents the concept of brand equity, are briefly described in the following⁴.

Brand awareness refers to the particular strength of and familiarity with the brand and consists of brand recognition and recall. Recognition is the consumer's ability to remember the brand and hence confirm prior exposure to the brand e.g. when consumers visit the supermarket to buy a soda, and are exposed to various soda brands. Will they then be able to recognize Pepsi Max as one to which they have already been exposed? Recall is the consumer's ability to retrieve the brand from memory, when given the product category as a cue e.g. when the consumers think about being thirsty and want to buy a soda, will they then think of Pepsi Max? *Brand associations* can be described as the consumer's image of the brand which is assigned different properties e.g. product-related or non-product related. Product-related properties for Pepsi Max include among other things price and packaging (bottle or can) and non-product related properties concern the attitudes and feelings towards Pepsi Max, since the brand can have many benefits which both can be experimental and symbolic, for example being edgy or connected to music. It can be discussed whether having high familiarity is part of the brand awareness or brand association element, since familiarity attribute to how well the consumers know the brand why familiarity also can be described as the consumers image of the brand. Familiarity is therefore positioned in a grey area between brand awareness and brand associations, but for this thesis, it will be included in the awareness element.

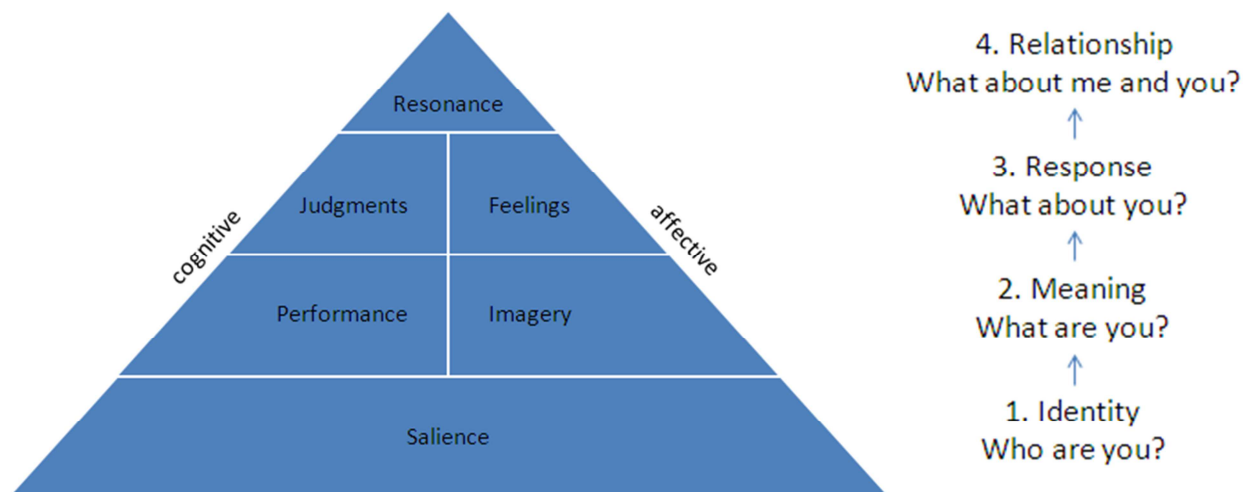
Perceived quality partially overlaps the brand associations, since this asset among other things also includes reasons-to-buy, price and the consumers' attitudes and feelings (Aaker, 1996). Perceived quality does not necessarily have anything to do with Pepsi Max' actual quality, but depends on the consumers' expectations and is a key point of differentiation for companies. *Brand loyalty* is one of the most important elements, among other things from a financial point of view, since marketing costs are reduced significantly when the majority of consumers are loyal (Aaker, 2002). It is therefore important for companies to increase loyalty in order to make consumers prefer your products over competitors', and one way of doing this is to create or enhance the relationship with Pepsi Max by strengthen brand associations and perceived quality.

⁴ For further explanation of the elements, see appendix 5

Other assets include among other things competitive advantage. I have chosen to disregard other assets, since this factor does not have any effect in this study. I view competitive advantage as being predominantly a reflective indicator caused by having a strong brand. Competitive advantage is also included in the financial perspective as mentioned above, and since this thesis focuses on customer-based brand equity, the other asset element is excluded. Within the scope of this thesis, the four dimensions first mentioned are the most important ones as formative indicators causing a strong brand.

Keller's model of conceptualizing brand equity is called the Customer-Based Brand Equity model (CBBE model). The CBBE model looks at building a brand as a sequence of steps, each of which is contingent on successfully achieving the objectives of the previous one (Keller, 2008) and is therefore a stairways way of thinking.

Model 4: Keller's CBBE Model



Source: adapted from Keller (2008)

The four stages of brand development include brand identity, meaning, response and relationship, which are split into six building blocks and assembled as the brand pyramid. These six building blocks can be boiled down to four steps, starting with awareness (salience), benefits (performance, imagery), attitudes (judgments, feelings) and last but not least, loyalty (resonance) and all building blocks include several sub-dimensions briefly covered below⁵.

⁵ For further explanation of Keller's building blocks, see appendix 6.

Salience consists of category identification (Keller, 2008) i.e. how often and how easily is Pepsi Max evoked under various situations or circumstances. *Performance* includes the experience consumers have with the brand i.e. what they hear about Pepsi Max from others, the design and delivering compared to needs and wants, as well as what Pepsi Max tells the consumers about the brand in the communication. *Imagery* depends on the extrinsic properties of Pepsi Max i.e. the ways in which the brand attempts to meet consumers' psychological or social needs. It is often referred to as the more intangible aspects of the brand, e.g. the brand personality which is included in the brand identity statements. *Judgments* are the consumers' personal opinions about and evaluation of Pepsi Max, which they form by putting together all the different performance and imagery aspects. Considering Pepsi Max these judgments could include quality, credibility and superiority. *Feelings* are the consumers' positive or negative emotional responses and reactions to Pepsi Max, evoked by e.g. the Facebook Fanpage, and include feelings such as fun, excitement etc. Last but not least, *resonance* as the final step of the model focuses on the ultimate relationship the consumers have with a brand (Keller, 2008). Resonance is characterized in terms of intensity as well as the level of activity engendered by this loyalty, e.g. repeat purchases of and loyalty towards Pepsi Max.

3.2 Conceptualization of Pepsi Max' Brand Equity Framework

Overall, Aaker and Keller's conceptualizations of brand equity bear great resemblance and concentrate on measures related to the customer's mindset and the consumer response. When considering the consumer response, this relates to the effect hierarchies that seek to explain how communication affects the consumer and thereby his or her behavior (Barry & Howard, 1990). Effect hierarchies are typically the basis for discussing communication objectives, and are a further step towards enabling the link between the findings from the brand equity measures and the investments on Facebook why it is relevant in this setting also. Effect hierarchies describe the different stages the consumer undergoes when being exposed to advertising and have played a crucial role in developing research within advertising (Barry & Howard, 1990). The traditional hierarchy includes three stages; think (cognitive), feel (affective) and do (behavioral), and these stages are fundamental to many different models that have been created through time. There has only been little disagreement among researchers regarding the importance of the three stages of the hierarchy. Where researchers are disagreeing and what differentiates the models is thus the numbers of stages in the models as well as the sequence or order of the stages (Vakratsas & Ambler, 1999). It is the level of

involvement, meaning the complexity of the associative network (Franzen, 1999), which determines the sequence of effects that communication may have on consumers.

When considering the customer's mindset, this means their *awareness* of (cognitive level), *evaluations* of (affective level) and *relationship* with the brand (affective/behavioral level) (Martensen & Grønholdt, 2004). These three levels which originates from Martensen & Grønholdt (2004) are used since the above conceptualizations of Keller and Aaker have great resemblance and on an overall level, all the key dimensions of Keller and Aaker can be categorized according to these three levels (awareness, evaluations and relationship). Brand awareness in Aaker's model corresponds to salience in the CBBE model, since they both reckon the levels of recognition and recall (Keller, 2008). The four elements in the middle of the CBBE model resemble the associations the consumers link to the brand as well as how the consumers judge the performance of the brand, i.e. the perceived quality (Keller, 2003). Resonance and Loyalty also corresponds to each other, however Aaker focusing a bit more on behavioral loyalty than Keller. Therefore in order to create a framework applicable for Pepsi Max to be used for measuring brand equity, the three levels i.e. awareness, evaluations and relationship, will be applied.

Model 5: Relationship between Keller, Aaker and Pepsi Max' Brand Equity Framework

Consumer response	Keller	Aaker		Framework for Pepsi Max BE levels
Cognitive	Salience	Awareness	→	Awareness
Affective	Performance Imagery	Perceived quality	→	Evaluations
	Judgment Feelings	Associations		
Affective Behavioral	Resonance	Loyalty	→	Relationship

Source: own contribution

Even though we have a new and changed environment, there do not seem to be any new branding theories for how to evaluate and measure brand equity. By making a literature review through Business Source Complete, the key words "brand equity" and "internet" only resulted in 22 academic journals in the period from 2008-2011 (which is the period where Facebook has grown substantially). One of these journals is written by Keller (2009) and focuses on how the

customer-based brand equity model can be used as a means to help marketers interpret the branding effects of marketing communications in the new and complex marketing world. However, the only thing that has changed considering this model is that he has added *community* to the resonance level, otherwise the marketing objectives and the brand equity framework are the same.

Analyzing and finding out if there is a new way of measuring and evaluating brand equity in this social media revolution could be an entire research area in itself, but for this thesis the traditional frameworks for how to manage and measure this concept will be applied.

Neither Keller nor Aaker's conceptualization of brand equity prioritize between the different levels within their respective equity models. This means that it is not determined when to move from one level to the next in the models (Aaker, 1996). The theories do therefore not describe which areas in the models should be prioritized as primary marketing objective, i.e. whether the primary objective of the marketing investments should be to create awareness or loyalty. This depends among other things on how involved the consumers are in the buying process. Therefore, in order to identify marketing objectives, it is important to achieve a greater understanding of consumers and how they react to marketing, so that specific knowledge can be used to prioritize between marketing investments and objectives. To this I will apply the concept of involvement, since knowing the level of involvement contributes to setting the weights of brand equity levels.

3.3 Consumer Involvement

When discussing consumer behavior in relation to branding and communication, is it inevitable to discuss the concept of involvement, as this concept is a central determinant in the decision making process (Peter & Olson, 2002). The degree to which consumers are involved in different aspects of the consumption process (e.g. involved with products, advertisements or the act of purchasing) has grown to be one of the central determinants of consumer behavior (Pickton & Broderick, 2005). Involvement is therefore interesting in this setting, since the level of involvement is recognized as an important variable when creating branding strategies and thus prioritizing between different objectives. Involvement refers to a customer's perception of personal relevance for a product or service and influences the marketing processes, since involvement participates in determining how current and potential customers respond to communication (Peter & Olson, 2002).

3.3.1 High vs. Low Involvement

A consumer's level of involvement affects his or her attention, information search, purchase and consumption satisfaction differently (Arnould et al., 2005). The marketing strategies used vary with level of involvement, since the consumer's response to the communication has proven itself to be different depending on whether the communication refers to a product with high or low involvement (Vaughn, 1986). The traditional hierarchy of effects, think-feel-do, is not ideal in all types of marketing strategies and applies primarily to consumer behavior that requires high involvement. This behavior is characterized by "thinking" and "feeling" in a longer period of time, before actually "doing" and often treats economic considerations (Vaughn, 1986). Products with low involvement have the opposite hierarchy of effects, do-think-feel or do-feel-think where experience with the product is a necessary part of the buying process (Vaughn, 1986).

In order to integrate the various effect hierarchies, Vaughn (1980) proposed the FCB grid (Foot-Cone-Belding) where four different situations are distinguished based on two dimensions, i.e. the high-low involvement and the think-feel dimension. However, this model has also been modified, for example is the Rossiter-Percy Grid later on introduced as an alternative that includes buying motives (Pelsmacker et al., 2007). No matter which model is used, the important thing to have in mind is that whether the product category is placed within high or low involvement, this has a decisive influence on how the areas in brand equity should be prioritized, since the degree of involvement has major strategic impact on which objective the marketing investments should generate.

3.3.2. Measuring Involvement

"Although researchers agree that the study of low versus high involvement states is interesting and important, there is currently little agreement about how to best define, and hence measure, the construct of involvement" (Zaichkowsky, 1985). Involvement is generally measured by scale techniques (Franzen, 1999) where respondents are asked to give their opinion by means of five or seven-point scales, with pairs of words or statements at either end of the scale. Since there is no identical definition of the concept "involvement", many differing statements and words are used by various theorists in order to establish the involvement construct, both considering involvement with advertisement, products or brands. Zaichkowsky presents a simple, standardized, general and multi-item method for measuring involvement for products which can be used for Pepsi Max. Even though Zaichkowsky's method is more than 20 years

old, it has received much recognition, is very applicable and is cited more than 700 times (Web of Science). The method for measuring involvement incorporates three factors (personal, physical and situational) that affect a person's involvement level. Derived from these three factors, Zaichkowsky develops a series of descriptive scales consisting of a series of bipolar items, each which are measured on a seven-point rating scale, rating from (1) strongly disagree to (7) strongly agree.

This scale is named Personal Involvement Inventory (PII) and uses 20 items which result in a score from a low of 20 to a high of 140. On this basis, the respondents can be divided into three groups (low, medium or high involvement) depending on the product category. The low scores are defined as those scoring in the first quartile of the distribution and thus having scores ranging from 20-69. Medium scores are defined as those scoring in the middle 50% in the distribution and thus having a score of 70-110. The high scores and thus those highly involved with the product category are defined as those scoring in the top quartile, where the scores are ranging from 111-140.

I have chosen to apply the PPI as it offers a valid instrument for measuring the involvement construct which have been tested for internal reliability and validity. Furthermore, the construct have been tested for other products placed within the FMCG category (e.g. red wine, instant coffee and breakfast cereals). Other methods for measuring involvement could have been applied, but since involvement is proposed to be a variable in the decision process, the PII offers researchers a quickly administered tool, which is generalizable across product categories and can be used as a covariate to other research questions (Zaichkowsky, 1985). The questionnaire is completed by Danish consumers, and it therefore needs to be conducted in Danish. Since the Danish vocabulary is considerably smaller than the English, five scales from Zaichkowsky's original scale are excluded, as some of the scales end up being identical after translating the 20 various scales. The scale therefore uses 15 bipolar items which change the total possible score ranges from 15-105. The five scales to be excluded are illustrated below.

The below scale based on Zaichkowsky's involvement construct is related to the cognitive and affective customer response. In order to include the entire effect hierarchy when measuring involvement, it becomes important to research behavioral involvement, why researching involvement within the CSD category needs to include an extra dimension. One way of doing

this is by measuring how much (consumption) and how often (frequency) the consumers are actually involved in the category, why these measures will be included in the involvement construct.

Table 1: Scales for Measuring the Involvement Construct

No.	Positive indicator (high)	Negative indicator (low)	Included/excluded
1.	Important	Unimportant	Included
2.	Of concern to me	Of no concern	Included
3.	Relevant	Irrelevant	Included
4.	Means a lot to me	Means nothing to me	Included
5.	Useful	Useless	Included
6.	Valuable	Worthless	Included
7.	Fundamental	Trivial	Included
8.	Beneficial	Not beneficial	Included
9.	Matters to me	Doesn't matter	Excluded
10.	Interested	Uninterested	Included
11.	Significant	Insignificant	Excluded
12.	Vital	Superfluous	Included
13.	Interesting	Boring	Included
14.	Exciting	Unexciting	Excluded
15.	Appealing	Unappealing	Included
16.	Fascinating	Mundane	Included
17.	Essential	Nonessential	Excluded
18.	Desirable	Undesirable	Excluded
19.	Wanted	Unwanted	Included
20.	Needed	Not needed	Included
Behavior	Consumption		
Behavior	Frequency		

Source: adapted from Zaichkowsky (1985)

3.4 Construction of the Brand Equity Variables

Having identified the overall levels of the Pepsi Max brand equity framework, the individual variables to be included in these three levels are now identified. In order to make sure the variables reflect sensitive constructs that truly drive the market, these are discussed, prioritized and weighted according to how important as well as how applicable they are for Pepsi Max. In this discussion, certain criteria should be taken into consideration when defining how to measure brand equity. These criteria include that measures should reflect the construct being measured, the measures should reflect constructs that truly drive the market, the measures should be sensitive and the measures should be applicable across brands, product categories and markets (Aaker, 1996).

3.4.1 Brand Awareness Variables

Awareness includes different levels of awareness and corresponds to the *salience* and *awareness* of Keller and Aaker's models. Awareness is related to the strength of the brand in

memory (Keller, 2008), which can be measured as the consumer's ability to identify the brand under different conditions starting from being unaware about the brand to having the brand top-of-mind (TOM). Brand awareness can be measured as *unaided awareness* (brand recall) where the first to be mentioned is *TOM*, or as *aided awareness* (brand recognition). *Brand familiarity* is the number of product related experiences that have been accumulated by the consumer, and greater familiarity (through product usage, advertising etc.) should lead to increased consumer ability to recognize and recall the brand (Keller, 1993). Brand familiarity can also be defined as qualified awareness, since the customer is more familiar with some attributes of the brand and can be measured as a part of the aided awareness (how well do the consumer know the brand). Ideally, all of these variables should be included in order to measure the brand awareness level.

Other variables for brand awareness could also be included e.g. according to Aaker (1996) brand dominance (the only brand recalled) and brand opinion (I have an opinion about the brand). These variables are not included in the brand awareness level, since I interpret dominance as irrelevant due to the market definition of few major players (appendix 1), and I find opinion better suited for the brand evaluation level due to the affective character.

Included in the RU tracking is brand awareness (TOM, unaided & aided) as well as familiarity (how well do you know the brand). In terms of validity, the data correspond to how the brand awareness level should ideally be measured and can be used in order to measure the awareness level of Pepsi Max. The aided awareness level for Pepsi Max and their key competitors (Coca-Cola Light, Coca-Cola Zero and Pepsi Max) is around 95% (RU tracking), and it will consequently be difficult to improve on this simple level of awareness in order to strengthen Pepsi Max. I have consequently chosen to exclude the aided awareness variable. Instead of aided awareness, I will use familiarity, and since aided awareness is included in this variable, and I furthermore interpret this variable as a more nuanced measure of awareness, I do not lose any validity.

3.4.1.1 Prioritizing the Variables within the Level

Awareness always plays a key role in brand equity no matter which product category is being analyzed, but the appropriate level to operate on differs across brands. Since there are only few major players within the CSD category, it can be argued that it does not matter which is TOM. What is more important is that the brand has unaided awareness and can be retrieved from memory. Therefore, TOM is weighted 10% whereas unaided awareness is weighted 30%. Accordingly, most attention must be paid to familiarity and it is hence weighted 60%.

Familiarity is measured on a four point scale going from being unaware of the brand to knowing a lot about it, and the higher familiarity the better.

Included in the below table is the weighting according to above prioritizing of the different variables within the level as well as how to measure the specific variables. For the brand awareness level, as well as for the evaluation and relationship level, I have developed a scale going from 0-10. In that way it is possible to compare the measures across the overall levels and make sure that the individual variables are not biasing the analysis (Spector, 1992). The importance of the different variables within the specific level is determined by the weighting and the importance and priority of the overall levels is determined by the involvement measure.

For the brand awareness level, TOM and unaided awareness is measured by a yes/no answer (0 no or 1 yes) which is thus converted into 0 or 10. Familiarity is measured from 1-4, where “do not know” is converted into 0 and “know a lot about it” is converted into 10. “Have heard about it” and “know it quite well” is converted into 2 and 6, since “know it quite well” indicates more familiarity than “have heard about it”.

Table 2: Brand Awareness

Variable	Available	Weight	How to measure	Converted scale
TOM	Yes	10%	0= no 1= yes	0 10
Unaided awareness	Yes	30%	0= no 1= yes	0 10
Familiarity	Yes	60%	1= do not know 2= have heard about it 3= know it quite well 4= know a lot about it	0 2 6 10

Source: own contribution

3.4.2 Brand Evaluations Variables

Evaluations correspond to the *perceived quality* and *associations* of Aaker’s model as well as all four middle building blocks of Keller’s pyramid. All of these elements deal with some emotional/self-expressive evaluations, and different theorists have different ideas about how they should be measured. According to Aaker (1996), measures include perceived quality/leadership measures as well as perceived value, brand personality and organizational associations. Martensen & Grønholdt (2004) include product/service quality, price, promise, differentiation and trust and credibility, and Keller (2008) include judgments (attitude, needs, value, price premium, uniqueness etc.), performance (taste, convenience, quality etc.), imagery (personality, social attributes etc.) and feelings (what feeling does the brand give you).

In order to make the measures applicable to Pepsi Max, some variables make more sense than others considering the CSD category. The above theorists agree upon *price* and *quality*, and since these are the most important choice criteria within the CSD category (Mindshare 3D), they should be included in the brand evaluation level. Perceived quality does not necessarily have anything to do with the product's actual quality, but it is often a key point of differentiation between companies (Aaker, 1996). Attitude and uniqueness included in the judgments (Keller, 2008) as well as the promise measure (Martensen & Grønholdt, 2004) should also be included, and can all be included in an *appeal* variable. By having a positive appeal towards the brand, this contributes to building the relationship between the consumer and the brand as well as increases the buying intentions (Martensen & Grønholdt, 2004), which is important for Pepsi Max considering the competitive nature of the market. This is also the reason why differentiation is important for Pepsi Max, why this variable should be included as well. Closely related to appeal are needs which should also be included in the brand evaluation level. Brand personality is also included in both Keller's (2008) and Aaker's (1996) measures and should also be included in the evaluation level for Pepsi Max, since personality is a part of the brand image, and image can also affect choice criteria (Mindshare 3D). Having trust and credibility is important for a brand in a competitive market, why these measures should be included in the brand evaluation level as well.

Organizational associations include admiring the organization (Aaker, 1996), however, I find this variable more relevant for the relationship level. Leadership measures include that the brand is being respected for innovation and growing in popularity. Both of these measures should be included, but I find that growing in popularity, just like admiring, is more relevant for the relationship level, since if consumers admire a brand and find it popular, they might already have a relationship with the brand. Service quality is excluded in the evaluation construct, since no customer service is offered in combination with the physical product of Pepsi Max. Last but not least, perceived value is very closely related to price and quality, why this measure is also excluded.

In order to measure the personality, the 16 brand identity statements as described in the introduction can be used. Through a factor analysis done by Mindshare for Pepsi Max, 10 statements have been identified as best describing the brand identity, and consequently six statements have been removed, since there was too much overlap. By removing these, the factor analysis still explains 75% variation, and this percentage is not increased if the six

statements are included. I do therefore not risk losing any validity by excluding the six statements.

In the RU tracking, some of the above mentioned measures are not available, why it has not been possible to include all the ideal variables for measuring the evaluation construct. Trust and credibility would have been ideal to include in the measures, but these measures are not available. However, it can be argued that if consumers have a better opinion about Pepsi Max compared to other brands, the brand might have higher trust and credibility for the consumer. Due to the available data, I will have to settle with the opinion measure, but since I interpret trust and credibility to be very closely related with having a better opinion about the brand, the construct is still valid why there is no consequence with not being able to include these two variables.

3.4.2.1 Prioritizing the Measures within the Level

Included in Mindshare 3D are five different criteria that affect which CSD brand is chosen - *taste, price, packing, image and accessibility*. These criteria are important, since they influence the relative importance of some of the above mentioned brand evaluation variables. Choice criteria are not a part of the brand equity framework, since the questions cover the overall criteria for meeting a need within the CSD category and therefore not attached to any brand equity element. The prioritization of choice criteria impacts the answers to some of the evaluation variables, for example if price is considered the most important choice criteria, the answers related to the variable about price in the brand equity framework are qualitatively considered more important than answers to questions related to choice criteria of lower importance.

The most important criteria for choosing a CSD brand is taste (4.68) closely followed by price (4.03) (appendix 7)⁶. Besides being the most important dimensions with very similar values, they together represent the price/quality dimension of brand evaluations and are rated equally important with a weight of 30%, as illustrated in below table. After taste and price, accessibility is also rated to have high importance, why it is important for Pepsi Max to have a strong distribution (this is not included in this thesis though). Packing and image are both rated low with very similar values (only 0.25 point difference). These choice criteria are both closely related to the appeal, personality and opinion dimension of brand evaluations and why these should have less importance, and are weighted equally with 10%.

⁶ Criteria is measured on a scale from 1-5

The two last measures are needs and differentiation. Since low-calorie carbonates for many consumers fulfill the same functional need (e.g. quench one's thirst), the choice of brand is not based exclusively on its fulfillment of functional needs. Today, the consumer's decision processes are also influenced by the emotional benefits related to a brand. Since it is difficult to differentiate products based on functional attributes and benefits alone, Pepsi Max needs to differentiate by creating associations in the minds of the consumers that add extra value in the form of emotional benefits, which should extend beyond product attributes and functional benefits. Differentiation is therefore weighted a little higher than needs, as differentiation is weighted with 15% compared to 5% weight to needs.

In the below table, all variables are showed as well as the weight within the level. Brand evaluations also include a scale going from 0-10, and many of the variables are yes/no questions like in the awareness level. The negative measures are converted into 0 and the positive measures have been converted into 10. "Appeals just as much" has been converted into 5, whereas "appeals more than other brands" has been converted into 10, since this is more positive. The 10 personality measures are rated equally important, with a 1% weight each (a total of 10%). Even though Royal Unibrew's objective with investing in Facebook is to enhance the brand identity, I do not find the personality variable (which consists of Pepsi Max brand identity statements) important, since the personality is a part of the image, and according to the choice criteria within the CSD category, image is rated low, why personality is only weighted 10%. Personality is measured from a scale going from 1-7⁷ which has been converted to 0-10 scale, where 7 is most positive (and therefore converted into 10).

⁷ 1= Completely disagree, 7= Completely agree

Table 3: Brand Evaluations

Construct	Available	Weight	How to measure	Converted scale
Price	Yes	25%	1= costs more than you are willing to pay 2= too cheap to be of acceptable quality 3= has an acceptable price level	0 0 10
Quality	Yes	12.5%	Has better qualities than other brands No=0 Yes=1	0 10
		12.5%	0= has unacceptable qualities 1= has good qualities	0 10
Appeal	Yes	10%	0= appeals less than other brands 1= appeals just as much as other brands 2= appeals more than other brands	0 5 10
Needs	Yes	5%	0= does not satisfy your or your family's needs 1= satisfies your or your family's needs	0 10
Personality	Yes	10% (10 * 1%)	(sugar free, gives pleasure, tasty, a healthier soda, "the edgy, but broad appealing soda", challenging, music, confident, sport, fun) 1 2 3 4 5 6 7	0 1,67 3,33 5 6,67 8,33 10
Differentiation	Yes	15%	Offers something different than other brands 0=No 1=Yes	0 10
Trust and credibility	No			
Opinion	Yes	10%	Has a better opinion about than other brands 0=No 1=Yes	0 10
Innovation	No			

Source: own contribution

3.4.3 Brand Relationship Variables

The final level of the Pepsi Max brand equity framework is the brand relationship which corresponds to the *resonance* and *loyalty* concepts in Keller and Aaker's models. Brand loyalty can be a response in terms of actual purchase (or re-purchase of the brand over time) or a function of positive evaluations (or a favorable attitude toward the brand), where the brand is evaluated more attractive than what the competitors are offering (Aaker, 1996).

In order to measure brand relationship, Martensen & Grønholdt (2004) include attractiveness, engagement and attachment (mental responses) as well as loyalty and recommendation (behavioral responses). Aaker (1996) includes price premium and satisfaction/loyalty as well as the above measures I find more relevant for relationship (organizational associations i.e. admiring the brand and leadership measures i.e. growing in popularity). According to Keller

(2008), resonance measures also include loyalty, being proud of the brand, finding the brand special as well as more than just a product.

The theorists agree upon loyalty as an important measure, which can be measured according to *buying intentions* as a behavioral response. Buying intentions are thus included in the brand evaluation level. However, loyalty is not only buying intention, but also the willingness to *recommend* the product to others, why this variable also should be included. It can be argued that if you are willing to recommend the brand, you are satisfied with the brand, why the recommendation variable includes Aaker's (1996) satisfaction measure. Admiring the brand and growing in popularity are very closely related to each other as well as related to Keller's (2008) resonance element (being proud of) and Martensen & Grønholdt's (2004) attractiveness (how attractive compared to other brands) and engagement measures (very interest in). These measures can all be included in a *popularity* variable. The *engagement* measure includes how important it is for the consumer to maintain a relationship with the brand in the future and is an important measure for the relationship level. Price premium is not included, since I have included this in the evaluation construct.

The RU tracking also includes relationship measures, but only considers buying intentions as well as popularity. It would have been ideal to be able to include the measures considering recommendation as well as engagement, but this has not been possible since I have chosen to use the already collected tracking data. Recommendation is therefore not included, which is causing the measurement to lose some validity. However, I will not compromise on the sample size and thus engage in own research just to include this one element. I view the loss of validity to be minor compared to the reliability I get by using the tracking data, why this element is excluded from the relationship level. Engagement is also not possible to include, but it can be argued that engagement is included in the buying intention variable "will consider next time", since this includes commitment to the brand, and therefore this does not cause the construct to lose much validity.

3.4.3.1 Prioritizing the Elements within the Level

Whether the consumer is involved for a longer or shorter period of time, there is always a direct contact between the consumer and the brand, which makes it possible to create a relationship. As mentioned above, it becomes important for Pepsi Max to add extra value in form of emotional benefits, why consequently both the mental as well as the behavioral

responses in the brand relationship measures are relevant for Pepsi Max. Buying intentions and popularity are thus weighted equally important (50%).

Relationship is also measured on a scale going from 0-10, where all variables include yes/no answers. The three measures within buying intentions and popularity are all rated equally important (16.6%).

Table 4: Brand Relationship

Construct	Available	Weight	How to measure	Converted scale
Buying intentions	Yes	16.6%	Have ever tried or bought 0=No 1=yes	0 10
		16.6%	Bought last time 0=No 1=Yes	0 10
		16.6%	Will consider next time 0=No 1=Yes	0 10
Recommendation	No			
Popularity	Yes	16.6%	A brand others may see me use 0=No 1=Yes	0 10
		16.6%	A brand that become more and more popular 0=No 1=Yes	0 10
		16.6%	The most popular brand 0=No 1=Yes	0 10
Engagement	No			

Source: own contribution

3.5 Sub-conclusion


The purpose of measuring the strength of a brand is to improve the brand by making it stronger. The outcome of the brand equity measurement thus becomes input for defining how to use marketing investments on Facebook in order to strengthen the Pepsi Max brand. Brand equity is a long term concept, and therefore not changeable in the short term. The learning's from the brand equity measures however serve as input for which elements that are relevant to use as objectives when investing in Facebook and are thus relatively more short-term.

Even though the environment has changed due to the social media revolution, there are no new branding theories and hence no new frameworks for how to measure brand strength. In order to answer the first research question, I have thus conceptualized a brand equity framework applicable for Pepsi Max.

In order to operationalize the Pepsi Max brand equity framework and make it a useful planning tool for prioritizing marketing investments on Facebook, the framework needs to be linked to this thesis' conceptualization of consumer response and involvement. The measurement must therefore include some sort of cognitive, affective and behavioral levels. The conceptualized framework includes all three levels and involvement is included on the right-hand side in the operationalization, since the level of involvement affects which brand equity levels should be prioritized.

Model 6: Framework for Measuring Pepsi Max Brand Strength

Framework for Pepsi Max BE levels	How to measure	Customer response	
Awareness	Top-of-mind Unaided Familiarity	Cognitive	←
Evaluations	Price, Quality, Appeal, Needs, Personality, Differentiation, Opinion	Affective	←
Relationship	Popularity Buying intentions	Affective Behavioral	←



Source: own contribution

Chapter 4 Analysis of Pepsi Max' Customer-Based Brand Equity

Based on the framework which has been conceptualized in the previous chapter, the purpose of this chapter is to prioritize and measure the different levels identified in the brand equity framework for Pepsi Max in order to establish the branding objectives. It has been identified that no new branding frameworks have been derived, why it consequently will be analyzed to what extent the changed environment has affected how Pepsi Max should frame their branding objectives with “traditional” branding frameworks.

In the following the involvement level will initially be identified in order to prioritize the different brand equity levels. After this, the current level of Pepsi Max' brand equity will be measured and last the chapter will summarize the results and thus emphasize the most important objective for Pepsi Max' future investments.

4.1 Involvement Level within the CSD Category

In order to measure the involvement level within the category, 309 respondents have completed a questionnaire. The lowest score was 15 (answering 1 on all scales), whereas the highest score was 99 which is only 6 points away from the highest score (105).

The average for the overall PPI distribution was 46, however, since the scale goes from 15-105, this average needs to be recalculated in order to reflect the scale. The average is thus 34.3 (measured this way: $(46-15)/(105-15)$). In order to evaluate whether this average indicates high or low involvement, the two quartiles (25% and 75%) of low and high involvement should be calculated (Zaichkowsky, 1985). Low involvement is defined as those in the first quartile of the distribution and high involvement is defined as those “scoring” in the top quartile of the distribution hence the distribution can be divided into the two following segments:

- Low involvement (first 25%): 30
- High involvement (last 25%): 60

The overall distribution of the PII scores is enclosed in appendix 8. These two quartiles indicate the spread in the data set. This indicates that the total distributions of scores are distributed more heavily in the low involvement area of the scale, whereas the high involvement quartile is scattered over a bigger area. When comparing the average of 34.3 with these two quartiles, the involvement level for the CSD category is slightly above low involvement. However considering the spread of the data it can be concluded that there is low involvement within the CSD category.

In terms of data validation, when looking at the distribution of all 309 individual scores, one thing seems conspicuous (for illustration see appendix 8). The frequency of people who have scored 15 and 60 are higher than the other scores, a total of 54 respondents (27 respondents have scored 15 and 27 respondents have scored 60), which out of a sample size of 309 respondents is 17.4%. This could indicate response bias in which the respondents only used the end point (1) or middle point (4) to rate the CSD category without actually considering the questions. This is an obvious disadvantage of the PII scale and any scales for that matter. However, I do not find the scale to lose validity, since it is also a conclusion that the 8.7% who has answered respectively 1 or 4, find the CSD category to be of considerably low involvement (1) or are indifferent towards the category (4).

I acknowledge that the PII which has been constructed for measuring the involvement within the CSD category is sensible to both respondent bias as well as situational factors. Taking this into consideration though, it can still be concluded that the involvement level within the CSD category is low, since conclusion is consistent with the literature that deals with high versus low involvement (e.g. (Vaughn, 1986), (Pickton & Broderick, 2005)), since there is little financial and social risk attached to the buying process within the CSD category. In Zaichkowsky's (1985) own study, she positions other FMCG products (breakfast cereal, instant coffee) as low scoring subjects on the PII, why this is also consistent with my research results.

For low involvement products, the decision making is often based on habit, where little or no information is considered prior to the purchase. Brand selection may be one of a shortlist within the purchaser's repertoire set rather than on a single brand (Pickton & Broderick, 2005). Hence, it is very important that Pepsi Max is a part of the consideration, that the brand is recalled and recognized in the consumers mind in the purchase situation. Brand awareness is therefore considered to be of very high importance for Pepsi Max (50% weight).

When choosing what CSD to drink five choice criteria impact the selection as mentioned in chapter 3. The most important criterion was taste, why the choice of Pepsi Max is depending on personal taste. Pepsi Max can therefore be placed in the satisfaction strategy for low involvement/feeling products (Vaughn, 1986) where the consumers "feel" more than they "think". Brand evaluation is therefore also considered to be of high importance for Pepsi Max (30% weight).

Since Pepsi Max is a low involvement product, brand relationship is not as important as brand awareness or brand evaluations, since consumers do not spend much time in the buying process

but buy products depending on their personal taste (affective) or which product they are aware of (cognitive). However as mentioned in the introduction, consumers have become “*prosumers*”, and want to be active participants in the communication instead of being passive receivers of communication (Edelman, 2010). I believe this has increased the consumers’ willingness to engage with brands or engage with the communication, even though the brand has low involvement. Establishing a relationship should therefore still be something Pepsi Max should focus on, however brand relationship is not considered to be of that high importance for Pepsi Max (20% weight).

The weight of the different levels within the framework for Pepsi Max’ brand equity levels are summarized below:

- 50% → Awareness (cognitive response)
- 30% → Evaluations (affective response)
- 20% → Relationship (affective/behavioral response)

When analyzing the behavioral involvement with regard to buying frequency most respondents answer that they drink around two sodas a week on average (142 respondents out of the 309 total). How often they drink sodas differ since 82 respondents answer 1-2 times a week, 69 answer 1-3 times a month and 64 answer daily/almost daily (for illustration, see appendix 9). The average is 1.96 which means around 3-5 sodas (25cl) a week whereas the average for how often is 3.27 which means between 1-2 times a week and 1-3 times a month.

If these figures are converted into spending figures, 3-5 sodas a week cost around 650-1,000 DKK a year⁸. Compared to the average personal income in Denmark, which is 263,084 DKK (TNS Gallup), a yearly consumption of sodas’ correspond to 0.25%-0.41% of the personal income which is relatively low. In addition, since these buying questions are asked considering the entire CSD category and not only Pepsi Max, the figures are expected to be even lower considering only Pepsi Max. This result is consistent with the PII, and it can be concluded that there is low involvement for Pepsi Max when considering not only cognitive and affective levels, but also behavioral levels of involvement.

Thus according to the low level of involvement and the above weight of the different levels, brand awareness should have primary focus followed by brand evaluations. How the different levels should be prioritized depend on how Pepsi Max performs on the different levels.

⁸ E.g. 3 sodas = 0.75 L * average cost pr. Liter (16.68) * 52 weeks = 650

4.2 Current Level of Pepsi Max' Brand Equity

Based on the weights, it is now possible to derive the Pepsi Max brand equity level. It is not possible to compare the results of the Pepsi Max brand equity framework with competitors, since the framework for brand equity is unique for Pepsi Max, among other things because it includes the unique Pepsi Max brand personality. However, in order to benchmark against other competitors⁹, it is possible to include the individual measures within the overall levels (awareness, evaluations and relationship) in order to research if they perform better or worse than competitors.

4.2.1 Measuring Brand Awareness

Brand awareness is measured based on the variables - TOM, unaided and familiarity - on a scale going from 0-10, where 10 is the highest. All of the individual brand awareness scores have been calculated according to the scale and the weight. An example of a respondent could be:

Respondent(a): TOM (1), Unaided awareness (1), Familiarity (3)

$$\text{Score: } 10 \cdot 0.1 + 10 \cdot 0.3 + 6 \cdot 0.6 = 7.6$$

The average score for all 309 respondents is 5.0 which, on a scale from 0-10, is a bit above the scale median.

When comparing Pepsi Max brand awareness to competitors, Coca-Cola has the highest TOM level followed by Pepsi as illustrated below. The reason why Pepsi Max, Coca-Cola Light and Coca-Cola Zero are not TOM is because they are all extensions of the regular brands, and respondents rarely mention Pepsi Max if they have already mentioned Pepsi. In terms of unaided awareness Coca-Cola is also rated highest followed by Pepsi. When it comes to familiarity Coca-Cola also performs better than the other four brands whereas the other four brands perform on almost the same level.

Considering all awareness variables, Pepsi Max is positioned at almost the same level as Coca-Cola Zero and Coca-Cola Light and therefore matches this level of competition. Coca-Cola performs better on all variables, probably due to their history. If the average brand awareness score of 5.0 should be benchmarked against Coca-Cola Zero and Coca-Cola Light, Pepsi Max is doing well on the brand awareness level of the brand equity framework, however, benchmarked against Coca-Cola and Pepsi, Pepsi Max experiences challenges on this level.

⁹ The benchmark will be compared to Pepsi Regular and Coca-Cola (Regular, Zero and Light)

Table 5: Awareness (Key Competitors)

Construct	How to measure	Coca-Cola	Light	Zero	Pepsi	Pepsi Max	Avg. of 5 brands
TOM	TOM	5,2	0,1	0,1	1	0,2	1,3
Unaided awareness	Unaided awareness	8,1	0,5	0,7	5,9	0,7	3,2
Familiarity	Do not know	0	0	0	0	0	0
	Have heard about it	1,2	3,1	2,5	1,8	2,7	2,3
	Know it quite well	4,2	4,2	5	4,7	5,5	4,7
	Know a lot about it	4,6	2,7	2,5	3,5	1,8	3

Source: RU tracking 2011

4.2.2 Measuring Brand Evaluations

Brand evaluation is measured according to the variables: Price, Quality, Appeal, Needs, Personality, Differentiation and Opinion. Here all the individual brand evaluation scores have also been calculated and an example of a respondent could look like this:

Respondent(a): Price (3), Quality (1 + 1), Appeal (2), Needs (1), Personality (5+7+5+5+7+6+7+7+6+6), Differentiation (1), Opinion (1)

$$\begin{aligned} \text{Score: } & 10*0.25 + (10*0.125 + 10*0.125) + 10*0.1 + 10*0.05 + \\ & (6.67*0.01)*3 + (10*0.01)*4 + (8.33*0.01)*3 + 10*0.15 + 10*0.1 \\ & = 9.85 \end{aligned}$$

The average score for all 309 respondents is 2.2 which, on the scale from 0-10, is below the scale median. In order to benchmark this figure against the competitors, an analysis of Pepsi Max' key competitors are in order. Included in the RU tracking is competitor knowledge which has been used in the framework for Pepsi Max' brand equity. The data corresponding to brand evaluations are included in the table below. From this it can be concluded that Coca-Cola has a strong position in the minds of the consumers, since Coca-Cola performs better on all levels compared with competitors. Coca-Cola Light, Pepsi and Pepsi Max perform almost on the same level, however Coca-Cola Zero has managed to differentiate themselves on quality, differentiation, appeal and opinion.

The average score of 2.2 which Pepsi Max receives in the brand evaluation level is therefore below benchmark, since Coca-Cola and Zero perform better than Pepsi Max and Coca-Cola Light whereas Pepsi must be expected to be on the same level as Pepsi Max. It can therefore be concluded that Pepsi Max has a challenge considering this level within their brand equity framework.

Table 6: Evaluations (Key Competitors)

Construct	How to measure	Coca-Cola	Light	Zero	Pepsi	Pepsi Max	Avg. of 5 brands
Price	Costs more than you are willing to pay	1,6	1,3	1,2	1,2	1,1	1,3
	Has an acceptable price level	5,1	4,6	4,7	4,5	4,3	4,6
	Too cheap to be of acceptable quality	0	0	0,1	0,1	0,1	0,1
Needs	Satisfies your or your family's needs	5,7	3,2	3,7	3,5	3,1	3,8
	Does not satisfy your or your family's needs	1,4	2,7	2,5	2,0	2,6	2,2
Quality	Has better qualities than other brands	2,1	0,8	1,5	0,6	0,8	1,2
	Has good qualities	4,5	2,9	3,2	3,2	2,7	3,3
	Has unacceptable qualities	1,2	2,0	1,9	1,4	2,0	1,7
Differentiation	Offers something different than other brands	1,2	0,4	1,1	0,4	0,6	0,7
Appeal	Appeals more than other brands	3,4	0,9	1,7	1,0	0,9	1,6
	Appeals just as much as other brands	2,8	3,3	2,7	3,8	2,9	3,1
	Appeals less than other brands	0,5	1,8	1,8	1,0	2,0	1,4
Opinion	Has a better opinion about than other brands	2,1	0,6	1,1	0,4	0,6	1,0

Source: RU tracking 2011

4.2.3 Measuring Brand Relationship

Brand relationship is measured according to Buying intentions and Popularity. An example of a respondent could look like this:

Respondent(a): Buying intentions (1 + 0 + 1), Popularity (1 + 1 + 0)

$$\text{Score: } (10 \cdot 0.166 + 0 \cdot 0.166 + 10 \cdot 0.166) + (10 \cdot 0.166 + 10 \cdot 0.166 + 10 \cdot 0.166) = 6.64$$

The average score for all 309 respondents is 2.5 which on a scale from 0-10 is below the scale median. Included in the tracking data is also competitor knowledge which has been used in Pepsi Max' brand equity framework for brand relationship. As the table below illustrates, Coca-Cola also performs better than the other cola brands when considering buying intentions and popularity and Coca-Cola Zero is a bit stronger positioned in the minds of the consumers compared to Coca-Cola Light, Pepsi and Pepsi Max. It can therefore be argued that the average score of 2.5 is below benchmark, why it can be concluded that Pepsi Max also has challenges considering this level within the brand equity framework.

Table 7: Relationship (Key Competitors)

Construct	How to measure	Coca-Cola	Light	Zero	Pepsi	Pepsi Max	Avg. of 5 brands
Buying intentions	Have ever tried or bought	8,8	7,2	6,9	7,5	6,6	7,4
	Bought last time	3,3	1,1	1,7	0,6	0,9	1,5
	Will consider next time	4,0	1,7	2,5	1,8	1,6	2,3
Popularity	A brand others may see me use	5,1	3,8	4,0	4,1	3,8	4,2
	A brand that become more and more popular	1,3	0,4	1,6	0,4	0,5	0,8
	The most popular brand	3,7	0,3	0,6	0,3	0,3	1,0

Source: RU tracking 2011

4.3 Relationship between Involvement and Brand Equity

As mentioned above the average involvement score was 34.3 which indicates low involvement. The average brand equity score given the three average scores as indicated above on all three levels is 3.2. When compared with the involvement weight (50% awareness, 30 % evaluations and 20% relationship) the average brand equity score is 3.66 ($0.5 \times 5.0 + 0.3 \times 2.2 + 0.2 \times 2.5$).

In order to analyze if there is any statistical relationship between involvement and brand equity a correlation analysis is completed by considering all the individual scores for all 309 respondents (brand equity and involvement). When conducting a correlation analysis, this can be done by using Pearson product-moment correlation coefficient (PPMCC, typically denoted by r), which is the measure of the correlation between two variables X and Y giving a value between +1 and -1 inclusive.

The correlation between the PII (involvement) and the total brand equity level is 0.37 (appendix 10) and the correlation between the PII and respectively awareness, evaluations and relationship is 0.32; 0.30 and 0.31. These figures indicate medium positive correlation (Newbold et al., 2006) and it can therefore be concluded that there is a positive coherence between the respondents' level of involvement and the level of brand equity. It can thus be concluded that the higher brand equity a brand experience, the more involved the consumers become which is also consistent with theory (Vaughn, 1986).

It should be taken into consideration that the involvement score is based on the CSD category in general whereas the brand equity score is based on Pepsi Max. This might affect the analysis, since if the involvement score had only been for Pepsi Max and not the category in general, there might have been a greater correlation. However, this does not affect the results, as it can still be concluded that there is a slightly positive relationship between involvement and brand equity.

4.4 Sub-conclusion

In order to answer the second research question and hence establish Pepsi Max' branding objectives, the involvement level within the CSD category has been measured as well as Pepsi Max' level of brand awareness, evaluations and relationship.

The level of involvement was measured on the PII scale and the average score was 34.4 which indicates low involvement since the first quartile was 30. When analyzing the consumption and frequency within the category this also indicate low involvement and is thus consistent with the PII. By knowing the level of involvement, it is consequently possible to prioritize between the different levels within the brand equity framework. Low involvement implies that brand awareness is Pepsi Max' most important objective and the three levels are therefore weighted according to how important the levels are (50% awareness, 30% evaluations, 20% relationship).

When measuring the current level of Pepsi Max' brand equity, Pepsi Max performs well considering brand awareness (average 5.0) when benchmarking against their key competitors, but it should still be a focus area for Pepsi Max considering the importance of having high awareness within the CSD category. Pepsi Max experiences most challenges compared to their competitors in the brand evaluation (average 2.2) and brand relationship level (2.5). Since brand evaluations are weighted more important than brand relationship, due to the low involvement category, brand evaluations hence becomes focus area for Pepsi Max.

The above slightly positive relationship between involvement and brand equity indicates that if the consumers get more involved with Pepsi Max, the level of brand equity will simultaneously increase and vice versa. It can therefore be concluded that if Pepsi Max manage to increase the brand equity, they might be able to increase the level of involvement as well.

The key objectives for Pepsi Max' future marketing investments are to:

- ✓ Increase brand awareness of Pepsi Max
- ✓ Strengthen positive brand evaluations of Pepsi Max

Chapter 5 Categorizing the Facebook Functions

The purpose of this chapter is to develop a framework according to which the stimuli i.e. the different functions on Facebook can be categorized in order to analyze the derived branding effect. Having established the branding objectives, next step is to research how these branding objectives can be linked to communication objectives.

This chapter will begin with conceptualizing a theoretical framework which can be used to categorize the communication effect of the marketing stimuli. After this, the IMC model will be introduced as a mean of categorizing the content of the Facebook functions after which their media instrumentality will be assessed.

5.1 Effect Hierarchies

In general, communication stimuli are categorized according to the effect hierarchy as formerly discussed in the consumer involvement sub-chapter in chapter 3. There exist various models of consumer-response stages also known as response hierarchy models (Kotler, 2000). The most well-known communication model and proponent of the traditional cognition-affect-conation response effect hierarchy sequence is the AIDA model (Attention, Interest, Desire and Action). This model was introduced by St Elmo Lewis in the late 1800s (Barry & Howard, 1990) and theorized that marketers, in order to be successful, had to attract attention (cognition), maintain interest and create desire (affect) in order to “get action” (conation/behavioral) (Barry & Howard, 1990). The AIDA model proposes a hierarchical order, going from interest to action, however, the model does not describe what happens after the consumers have acted. Another well-known model is the Hierarchy-of-Effects model proposed by Lavidge and Steiner (1961) which includes six steps the buyers pass through i.e. awareness and knowledge (cognitive stage), liking, preference and conviction (affective stage) and purchase (behavior stage). These models have subsequently been further developed by other theoreticians, yet common for most other models is that they all include the level of *action* as final level (Barry & Howard, 1990).

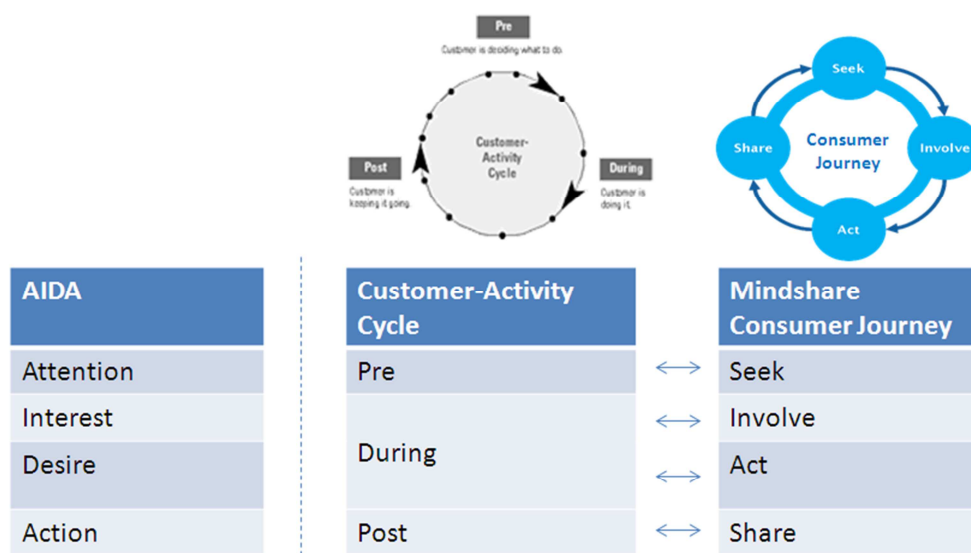
The customer activities do however not always just end with action, but is an integrated experience where consumers according to the theorist Sandra Vandermerwe (2000) follow the *Customer-Activity Cycle* (CAC). This cycle includes three experiences - pre, during and post purchase. “Pre purchase” includes when customers are deciding what to do, “during purchase” includes doing what they decided on, and “post purchase” includes maintaining the result (reviewing, upgrading etc.) (Vandermerwe, 2000). Once the consumer approaches the post purchase stage, he or she is “*keeping it going*” and the cycle loops back to the beginning

(Vandermerwe, 2000). For Pepsi Max this cycle would start with acknowledging a need of thirst and deciding to buy something to drink (pre), going to a supermarket and choosing a Pepsi Max (during) and evaluating the taste (post), after which you subsequently get thirsty and decides to buy something to drink (pre) etc. The cycle thus continuously loops back, why it can be argued that the buying process is not just a hierarchical process that ends with action, but a cyclical process that continues to develop as the brand is being evaluated by the consumer. Previous experiences with the brand thus affect future ones why the cycle continues to develop.

Mindshare has also developed a version of the CAC called the “*Consumer Journey*” which includes a seek-act-involve-share cyclical process similar to the CAC (Markedshorizont, 2010c). The *seek* level is where the consumer seeks a way to oblige a need (e.g. a search for something to drink), *involve* is where the consumer becomes more involved with the brand (e.g. though getting more information about Pepsi Max), *act* is when the consumer is deciding what to do (e.g. choosing to buy a Pepsi Max) and *share* is where is where the consumer is sharing their reactions after having bought/used the product (e.g. sharing the thoughts about taste/experience of Pepsi Max) after which the consumer again seeks a way to oblige a need.

Both models include a step after action, i.e. the *post* step of the CAC and the *share* step in the Consumer Journey where these two steps expect the consumer to act in some way after they have bought the product.

Model 7: Correlation between AIDA, Customer-Activity Cycle and Consumer Journey



Source: own contribution

In the development of communication objectives that link to the brand equity objectives, the communication framework should include the above mentioned post purchase/sharing element, since I believe that communication does not end with simply action. This is also why the framework should include the concept about the “looping”, since the CSD category has high buying frequency¹⁰, and the buying process is thus constantly starting over again.

Despite the fact that the AIDA model does not include the loop and ends with action, this model is still one of the most well-known communication models and still widely used today due to its applicable nature. The AIDA model will therefore be integrated in the communication framework, however, with certain modifications. In this framework, the *action* step is for example not viewed as final step. Inspired by the CAC and the Consumer Journey, the action step will include an element of post-purchase behavior as well as sharing. Furthermore the framework will include the cyclical element rather than the hierarchical approach. Apart from that and since the objective is to end up with a framework in three levels, the interest and desire level will be merged into an *attraction* level, which includes both interest and desire. Considering the consumer response, *attention* still corresponds to the cognitive level, *attraction* corresponds to the affective level. Since action includes the post-purchase and sharing element, this level corresponds to the affective and behavioral level as consumers are willing to spend time reviewing the product and share their thoughts about the product.

This way a link has been established between the communication objectives (Attention, Attraction and Action) and the branding objectives (Awareness, Evaluations and Relationship) since both frameworks correspond to the three levels of the consumer response.

5.2 Media Instrumentality

Media instrumentality is a concept that takes the media’s qualitative characteristics into account (Markedshorisont, 2009). Having established the communication objectives, the task is consequently to fit the different Facebook functions to these objectives by considering their media instrumentality. In the world of Facebook, the different Facebook functions share similarities with media. Accordingly the concept of media instrumentality can be applied to these functions. The 11 different functions that will be tested include Facebook banners, Sponsored Stories, Applications (being fan of), “Share”, “Comment”, “Like”, Photos, Videos,

¹⁰ 56.31% buys soda’s min. weekly (TNS Gallup)

Competitions, Wall posts and Questions. For illustration and descriptions of functions, see appendix 11.

Ultimately these 11 Facebook functions should be categorized according to which communication effect they have, i.e. if they can be used for generating either attention, attraction or action. This way it will be easier to predict the desired outcome. This is, however, not a simple task since different media may have several communication effects and therefore cannot be placed exclusively in one “box”. Considering TV advertisements, these can e.g. be used for generating both attention and attraction (Grønholdt & Christensen, 2006). Furthermore some of the different Facebook functions that are tested might have the same quantitative and qualitative characteristics, why they should be grouped according to the communication activity they correspond most to.

When considering the quantitative and qualitative characteristics and when choosing which media to use, two criteria have high importance. The first criterion is financial and is the choice of the media group that provides the largest coverage, or the largest number of exposures in the selected target group (Grønholdt & Christensen, 2006). The second criterion is qualitative and covers which media best corresponds to the attitudinal and behavioral characteristics of the message (Grønholdt & Christensen, 2006). The two criteria are very different, since the first is quantitative/financial-based and measured using the tools and methods available in traditional media planning, whereas the second is a qualitative choice. It's often integrated into the creative process, i.e. as a part of the message design and contains an element of subjective assessment.

Choice of media depends on which media reaches the target group in a situation, where the target group can be expected to be open towards an advertising message for a product (Grønholdt & Christensen, 2006). When choosing between media the primary criterion is therefore which situation the recipient of the message is in. In recognition of this there have in recent years been attempts to divide the media in a more meaningful way according to the media instrumentality (Grønholdt & Christensen, 2006). Media instrumentality is a concept, which covers the media's qualitative characteristics (Markedshorisont, 2009). The concept includes among other things how the media is being used (e.g. for entertainment or for information), and by dividing media according to characteristics which can satisfy potential needs for the consumer, it is possible for the marketing manager to get a more differentiated

view of the media than just by looking at a quantitative opportunity-to-see (OTS) (Markedshorison, 2009). The media's strength and weaknesses should be estimated compared to the campaign objective, the target group and the message which should be communicated (Grønholdt & Christensen, 2006). Besides this conditions such as the target group's motives for using the media, when the media is being used, as well as noise and relevance in the exposure situation, should also be evaluated (Grønholdt & Christensen, 2006).

As a result, another dimension should be added to the above model and the objective is hence to categorize the different Facebook functions according to which communication activity they perform based on their instrumentality and link this communication activity to the communication objectives.

5.3 Media Activities

The marketing mix is one of the foundation stones of marketing and represents a range of "ingredients" or elements, which, if "mixed" properly, would create a product capable of satisfying consumer requirements (Pickton & Broderick, 2005). These elements have been shortened to four elements – Product, Pricing, Place and Promotion – also known as the 4P's (Pickton & Broderick, 2005). Through history there has been a need for referring to a promotion mix, in order to give recognition to the variety of activities that fall into the promotion category, since the original list of "ingredients" also fails to make reference to other forms of promotion, e.g. public relations.

The concept "marketing communications" is instead becoming widely used among academics and practitioners as an alternative descriptor to "promotion", as it seems more appropriate in describing a range of communication activities. The concept describes *"all the promotional elements of the marketing mix which involve the communications between an organization and its target audiences on all matters that affect marketing performance"* (Pickton & Broderick, 2005). Kotler (2003) defines marketing communications as *"a way of looking at the whole marketing process from the viewpoint of the customer"*. Since the branding objectives are framed from a consumer point of view, the marketing process as a whole should be from the viewpoint of the consumer as well.

The marketing communication mix can be classified as the four elements; Public relations, advertising, sales promotions and personal selling. This mix follows that all the various marketing communications activities would have to fit into one of these four categories,

however, this cannot be done in any satisfactory way, since some activities might fit into more than one category (Pickton & Broderick, 2005). The four categories of the marketing communication mix are overlapping, since e.g. direct mail can be characterized as being both advertising and sales promotion. Consequently another concept for representing the marketing communications mix has been developed, called the Integrated Marketing Communication (IMC) Mix Model. This model illustrates that there exists a wide range of different communication activities and recognizes that many of these activities overlap.

Model 8: IMC Mix Model



Source: Pickton & Broderick, 2005

Academic research of Facebook is still limited, why there at present are no theories or methods that make it possible to research the effect Facebook has on the marketing outcome. Therefore in order to research how advertising through Facebook works, how it can be measured and how it as a marketing stimulus affects the consumer, the objective is to create a framework based on primary data for how Facebook functions can be studied.

One way of grouping the Facebook functions is by using the IMC Mix Model. When categorizing and grouping the various Facebook functions according to this model, this can follow the general segmentation criteria, proposed by Kotler (2000). Even though Kotler

evaluates how to target and segment different markets, his general ideas concerning segmenting criteria are useful in this setting as well. One of his segmentation criteria is that segments should be heterogeneous externally and homogeneous internally (Kotler, 2000). This means that the group of different functions might be different on the outside, but on the “inside” they more or less fulfill the same communication purpose.

Facebook includes many different marketing communication activities. In order to group the content of these functions, this can be done according to the IMC Mix Model. The objective is to fit each Facebook function under one appropriate communication activity. However, as mentioned above, this cannot be done in any satisfactory way, as there are functions that can be placed into more than one box. Hence, the objective is to categorize the functions according to those activities they fit the most into, even though they can be argued to fit into other categories as well.

5.4 Facebook Functions Grouped According to IMC and their Instrumentality

The IMC Mix Model includes one-to-many and one-to-one communications, where most of the Facebook functions correspond to the one-to-many communications (Pickton & Broderick, 2005). None of the Facebook functions can be categorized according to the personal selling activity (one-to-one) or any of the sub activities that fall under this activity (e.g. telemarketing, direct sales, trade sales etc.). Facebook is a social medium placed on the internet, and according to the IMC Mix Model, internet is placed in the overlap between advertising and sales promotion. The different functions on Facebook can, however, be categorized according to public relations, advertising and sales promotion activities as well as according to two of the sub activities which are placed in the overlap between these three activities, i.e. sponsorship and corporate communications.

5.4.1 Advertising

Advertising is defined as “*Any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor*” (Pickton & Broderick, 2005). There are many different types of advertising including press, TV, webpage/homepage, banner ads etc. (Pickton & Broderick, 2005). Facebook banners, sponsored stories and applications can all be classified as being some kind of advertising, whereas applications also include the element of sponsorships placed in the Public Relation (PR) and Advertising overlap area. Applications will thus be placed under the sponsorship category.

Just like many other websites, Facebook has also included the opportunity for advertisers to buy advertising space on Facebook. A Facebook *banner* is more or less the same as regular internet banners. They are placed on the right side of the users profile and since all profiles are created based on profile data, it is easy to target the right users, also known as behavioral targeting. Sponsored stories have been developed for advertisers to utilize their fans networks and operate by turning friend activity into a new ad format (e.g. Peter is now fan of Pepsi Max Denmark). They will appear in the right hand side of the news feed or profile. The difference between sponsored stories and display ads is that sponsored stories include persons you know.

Facebook banners and sponsored stories are both very cost-effective, since the advertiser only buys contacts in the target group (Facebook). Just like regular display banners you can pay a cost per click (CPC) or a cost per exposure (CPM). The effectiveness of Facebook banners and sponsored stories can easily be quantitatively measured, since every click can be tracked according to whether they generated a new fan or not.

Both Facebook banners and sponsored stories demand that the target group actively click on the advert. However, research shows that only 5% of the target group (male 15-30yo) clicks on internet banners min. weekly (TNS Gallup). As stated above, people use Facebook to connect with friends, and are therefore not interested in any advertisements, unless it has some relevance for them. Being on Facebook normally has almost all the attention of 39% of the target group and for 17% Facebook has full attention (TNS Gallup), why the users on this platform have high attention. Sponsored stories are, however, a bit different compared to Facebook banners as mentioned above, since it is stories about people you know. The sponsored stories are therefore using the social element Facebook is known for as it tries to affect the users, as there might be a bigger interest in becoming a fan of something your friends are fans of. Hence the relevance is created through the sponsored stories which affect the social situation the users are in when they are using Facebook. When the target group is exposed to either a display ad or a sponsored story, they are often only exposed to a logo or a picture combined with a text. The users exposed to the ads do therefore not have time to learn anything new about the advertiser, but if they act after they have been exposed to the banner or sponsored story they can become fan of Pepsi Max.

5.4.2 Sponsorship

By having a Facebook *application* the company can communicate with the fans through an interactive platform, however, when evaluating applications this only includes becoming fan of

the function. Even though this function includes the opportunity to communicate with the fans, interactions with this communication are something the company must earn by making the content interesting and relevant for the fans.

Applications can be measured quantitatively, by e.g. measuring daily or monthly active users on the page¹¹, logged-in page views¹² or daily stream impressions¹³ and all measurements are included in the Facebook Page Insights Report (appendix 12).

By looking at the application more qualitatively, this function can be used for both entertainment (e.g. videos/pictures/competitions) as well as for information (e.g. product launches). On the application, no other advertisers are being exposed, why there is no noise in the exposure situation. Applications integrate the social situation, since it satisfies the need of being entertained, informed as well as creating relations between the fans. This supports the target group's motives for using the media, i.e. being social, and the exposure situation is thus very relevant.

Pepsi Max has created an application called *Max the Music* with the purpose of emphasizing some of the brand identity statements¹⁴. The difference between Facebook Fanpages and applications is that the latter has the strength of being much more integrated in the creative process and can hence be used as a platform for a *sponsorship*. Sponsorships may be used for particular brand and marketing communications purposes and can, as such, fulfill specific marketing objectives (Pickton & Broderick, 2005). The ability to target a young audience has made popular music an attractive sponsorship opportunity (Pickton & Broderick, 2005) where companies e.g. can choose celebrity endorsers from the popular music industry if they see a match between the celebrity and the products personality. Pepsi Max uses the application *Max the Music* to create an identity that deals with music to strengthen the brand identity and make the brand more edgy, by using celebrity endorsers such as the pop artists Nik & Jay. Celebrity endorsement of products is of particular interest and if the personality of the celebrity endorser is close to that of the product the endorsement will be more effective. (Pickton & Broderick, 2005). The strength of this application is that it corresponds to the attitudinal and behavioral characteristics of the message (i.e. music), since the application includes the opportunity to integrate music videos in the creative set-up. Through the application the fans have the

¹¹ Monthly Users who have engaged with your Page, viewed your Page, or consumed content generated by your Page (Unique Users) (Facebook)

¹² How many users have logged-in on the Page (total count or unique users) (Facebook)

¹³ Daily impressions of stream stories generated by your Page (total count)

¹⁴ E.g. Edgy, Maximum kick, intense, Max taste, Music (Anders Christiansen, Mindshare)

opportunity to learn new things about the brand as well as get more information about the sponsorship.

5.4.3 Corporate Communication

Corporate communication is an area within the marketing public relations and has an enormous range of possibilities including corporate image management, corporate advertising and communications with other stakeholder groups (Pickton & Broderick, 2005). *Videos, photos* and *Questions* can all be characterized as being different forms of corporate communication with Pepsi Max' fans on Facebook. One of the strength of these functions is that they are featured in the fans news feed and Pepsi Max can add text to these functions. The fan can *comment* or *like* the communication as well as *share* it with their friends, but this dialogue and interaction is something the company should earn why these functions are placed below PR.

Since the fans have actively chosen to become fans, it must be anticipated that they have some interest in the communication from the company. The three functions can be used for either information or entertainment, since they can show pictures of e.g. new packaging (information) or show music videos (entertainment). The weakness of these three functions is that Pepsi Max does not have any control of how fans will react when being exposed to this communication, though this is a weakness of Facebook in general, since Facebook places the users in the center of the communication. On the other hand, this can also be a strength since fans communicate with each other and this communication is being spread through the viral effects on Facebook causing more fans to participate. Emphasis should therefore be placed upon the content of the communication and it consequently becomes important to remember which situation the recipient of the message is in why trying to start a dialogue. Since Facebook is a social medium to be used mostly for entertainment, a key rule is the 20% content can be about information whereas 80% should be about entertainment and trying to start a dialogue (Anders Christiansen, Mindshare).

5.4.4 PR

Public relation is defined as a “... *planned and sustained effort to establish and maintain goodwill and mutual understanding between an organization and its public.*” (Pickton & Broderick, 2005). In this definition the word “between” is significant, since PR is a two-way communication activity, why the organization both gives and receives information (Pickton & Broderick, 2005). PR is a range of activities that have to be planned and managed and demand active involvement from Pepsi Max in order to maintain the conversation with the “fans”.

Whether or not the fans choose to interact with the corporate communication is something the company earns, and is not given beforehand, why PR includes an element of the concept of *earned media* as introduced in the first chapter. The four different activities included in the PR activities are “like”, “share”, “comment” and “write wall post”. All of these activities can be categorized as some kind of interaction, where fans actively interact with Pepsi Max by *liking*, *commenting* or *sharing* a status update, video or picture, or when fans writes a *wall post*, and shares it on the Pepsi Max Fanpage.

These functions can be measured quantitatively by measuring number of likes, comments, wall posts etc. however, these figures do not describe what the functions build, why a more qualitative assessment of the functions is needed. Common for all of the functions are that it is important for the company to create relevant and interesting content that makes the users want to share and interact with the content. When interacting with the content, the fans are focused and they are therefore not exposed to any noise from other advertisers. As mentioned in the introduction, consumers have today become *prosumers*, why they do not want to be passive receivers of information. They want to be active participants in the communication, therefore it's important to integrate them in the communication which is possible through these functions.

Even though the different functions reflect different levels of involvement they are all categorized according to the PR activity since they all reflect some kind of interaction between the fan and Pepsi Max. When the fans “like” a status update/video/photo, this is viewed as the lowest level of involvement, since all the fan has to do is to click on the “like” button. When choosing to “share”, “comment” or “write a wall post”, this indicates a somewhat higher level of involvement than simply “liking” something since the fans choose to share it with their friends or actively participate in the communication. All 4 functions however indicate a commitment towards the Pepsi Max since the fans are actively interacting with Pepsi Max, as well as willing to spend time with the brand.

5.4.5 Sales Promotion

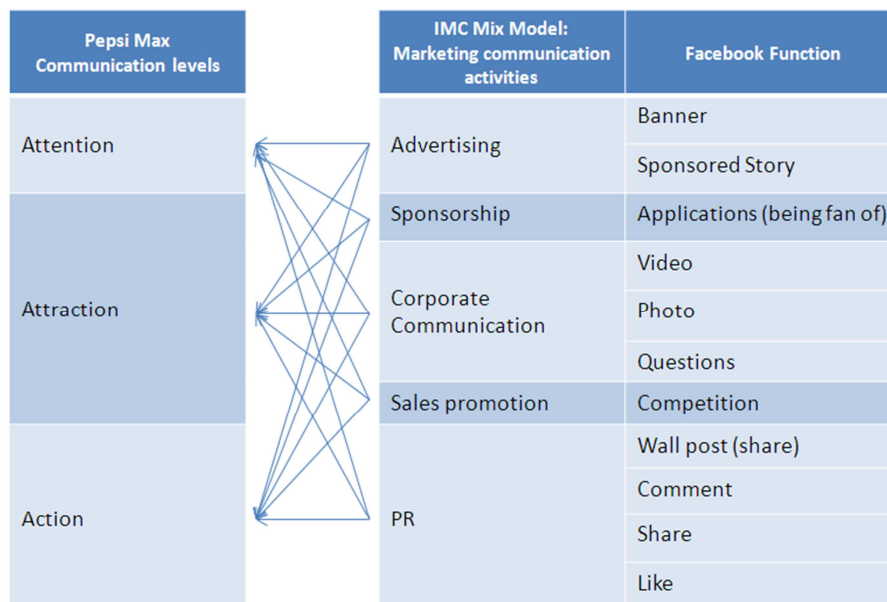
Sales promotion embraces a wide range of marketing communications where much of it is thought of as below-the-line promotions (Pickton & Broderick, 2005). Included in sales promotion activities are contests or competitions, which are a very popular sales promotional tool where marketers may use simple incentives like free gifts in return for quick response.

As a part of the Max the Music application, Pepsi Max has included competitions as entertainment for the fans, where they can win different prizes e.g. back stage experiences etc. When participating in competitions, the fans' motives are influenced by an expectation to win and thus get a unique experience provided in collaboration with Pepsi Max. Through the competitions they engage with the brand and connect with Pepsi Max since they have a possibility to win gifts or experiences.

5.5 Grouping of Facebook Functions

Based on the above the various functions on Facebook can be grouped according to the IMC Mix Model.

Model 9: Categorization of Facebook Functions



Source: own contribution

At present it is not possible to theoretically research which level the various marketing communication activities build, since it can be argued that e.g. advertising can build both attention, attraction and action as illustrated in the above model. It is therefore not possible to prioritize between which of the different Facebook functions Pepsi Max should focus on in the future in order to reach their objectives as stated in previous chapter.

According to Pickton & Broderick (2005), the product category decides which marketing communication activities the advertiser should focus on and how they should allocate the budget between the different activities. The theory here dictates that if the product category consists of consumer convenience products (low involvement), the advertising is most likely to play a primary role followed by sales promotions whereas if the product category consists of

industrial durable products (high involvement), more emphasis is typically placed on personal selling as primary activity followed by PR (see illustration appendix 13). Since Pepsi Max is identified as a low involvement product, this means that Pepsi Max according to theory primarily should focus on advertising and sales promotions. Whether or not this is true should be empirically tested.

5.6 Sub-conclusion

Having established which branding objectives Pepsi Max should have, next step is to research how investments on Facebook can reach these objectives. In order to answer the third research question it was therefore necessary first to establish a link between the branding objectives and the communication objectives, since the Facebook functions are viewed as communication stimuli. The AIDA model was consequently included in the framework as a model for communication objectives to create this link, however, in a modified version.

In order to fit the 11 different Facebook functions to the communications objectives in the framework and hence analyze what the different functions build (i.e. attention, attraction or action), these were first categorized according to the IMC Mix Model, based on the functions media instrumentality. This categorization of the Facebook functions was based on a theoretical and subjective assessment of the different functions quantitative as well as qualitative instrumentality. The 11 functions were categorized according to five IMC activities i.e. advertising, sponsorship, corporate communication, sales promotion and PR.

Ultimately, these activities should be categorized according to which communication effect they have, e.g. do they generate attention or action. This is however not simple, since advertising according to theory can be used for generating both attention and action. A framework was, however, conceptualized which can be used for analyzing the Facebook functions.

Chapter 6 Analysis of Pepsi Max' Facebook Functions

Based on the framework which has been conceptualized in previous chapter and the categorization of the different Facebook functions, the objective with this chapter is to empirically analyze to what extent the different Facebook functions can increase brand equity.

In the following, it will first be analyzed if the different Facebook functions can be categorized according to the IMC Mix Model in order to validate if the grouping is correct. Next it will be analyzed how Pepsi Max can use the different functions in order to strengthen their brand.

Even though the sample size of Pepsi Max fans is only 73 within the overall sample of 185 respondents (appendix 3), I will use the results to generate general conclusions based on how the data is distributed among the different functions within the established framework. However, since the margin of uncertainty is about 1 (on a scale from 0-10) due to the sample size, I need be critical concerning my conclusions.

6.1 Construct validity

The framework established in previous chapter, is based on subjective as well as theoretical assessment of the different Facebook functions. In order to test the construct validity of the categorization in relation to behavior, the functions that make up the five IMC activities are analyzed in comparison to each other.

Table 8: Bi-variate of Functions

	Advertising (87.7%)		Sponsorship (100%)	Corporate communication (53.73%)			Sales promotions (100%)	Public relations (60.67%)			
	Banner	Sponsored Story	Applications	Questions	Photos	Videos	Competitions	Wall post	Share	Comment	Like
Banner		0,877	0,734	0,543	0,548	0,468	0,561	0,368	0,39	0,539	0,63
Sponsored Story	0,877		0,661	0,534	0,517	0,379	0,621	0,369	0,311	0,572	0,65
Applications	0,734	0,661		0,461	0,617	0,596	0,55	0,305	0,478	0,45	0,6
Questions	0,543	0,534	0,461		0,474	0,412	0,701	0,64	0,45	0,796	0,66
Photos	0,548	0,517	0,617	0,474		0,726	0,469	0,419	0,389	0,562	0,61
Videos	0,468	0,379	0,596	0,412	0,726		0,376	0,416	0,446	0,468	0,54
Competitions	0,561	0,621	0,55	0,701	0,469	0,376		0,517	0,357	0,698	0,71
Wall post	0,368	0,369	0,305	0,64	0,419	0,416	0,517		0,502	0,711	0,58
Share	0,39	0,311	0,478	0,45	0,389	0,446	0,357	0,502		0,533	0,46
Comment	0,539	0,572	0,45	0,796	0,562	0,468	0,698	0,711	0,533		0,86
Like	0,632	0,653	0,599	0,661	0,608	0,544	0,709	0,582	0,455	0,857	

Source: Facebook questionnaire

The above is based on the respondents of the Facebook questionnaire who are fans of Pepsi Max (73 respondents). The figures indicate to what extent the respondents use the different functions, e.g. if you have seen a banner, 87% has also seen a sponsored story (dark blue color). When choosing between different functions, this indicates that if the banner function is not available, you can use the sponsored story instead since 87% use both functions.

When analyzing applications (sponsorship) and competitions (sales promotion), the result is obviously 100%, since there is only one function that constitutes each of these activities. Questions, photos and videos constitute corporate communication, and when the fans look at photos, 72% are also looking at videos. Questions are more distinct from photos/videos, since only about 40% who watch photos/videos also answer questions. Considering the last four functions that constitute public relations, the average of the scores is 60.7% which indicate that there is a high coherence between these four functions.

The analysis shows that fans use several of the different functions included within the same IMC activity which makes it easier to be a media planner, but it does not explain the effect of the different functions, since it is not necessarily certain that the functions e.g. banners and sponsored stories, have the same effect on brand equity.

6.1.1 Correlation between functions

In order measure the effect of the different functions which constitute the different IMC activities, the correlation between the functions need to be analyzed within each group.

In the below table the correlation has been measured between all different Facebook functions categorized according to the IMC activities and how they individually affect the different levels which constitute the three brand equity levels (for overview of data see appendix 14). The average of the correlations between the specific functions that constitute the IMC activities has been calculated, and this shows a correlation of 0.9 and upwards which indicates a high level of correlation. The only correlation below 0.9 is between share and wall post.

Table 9: Correlation between functions

	Advertising (0.985) Banner Sponsored Story		Sponsorship (1) Applications	Corporate communication (0.966) Questions Photos Videos			Sales promotions (1) Competitions	Public relations (0.939) Share Comment Like Wall post			
Banner											
Sponsored Story		0,985									
Applications			1								
Questions					0,996	0,954					
Photos					0,996	0,948					
Videos					0,954	0,948					
Competitions							1				
Share									0,95	0,963	0,871
Comment									0,95	0,969	0,963
Like									0,963	0,969	0,918
Wall post									0,871	0,963	0,918

Source: Facebook questionnaire

Based on the results of the above table, when considering the different functions that constitute the five IMC activities, it can be concluded that when the fans use one of the functions within e.g. the advertising activity, these two functions have the same effect. This means, that if Pepsi

Max do not have the opportunity of using e.g. banners, they might as well use sponsored stories, since the fans use both functions and these two functions have the same effect.

6.2 Fans vs. Non-fans

In through the Facebook questionnaire, I have made for analyzing the Facebook functions, I have had the opportunity of comparing the results of fans vs. non-fans. In order to analyze the results and compare the results to the brand equity framework, the communications objectives can be linked to the brand equity objectives as demonstrated in previous chapter. The different Facebook functions are therefore analyzed according to which brand equity level they build, since the Facebook questionnaire is divided into two parts, where one part measures the respondents attitude towards various branding variables (from the brand equity framework) and the second part measures the Facebook fans usage of the different functions (see appendix 3).

Table 10: Fans vs. Non-fans

		Fan	Non-fan	Difference
	LEVEL AWARENESS	8,7	7,4	1,3
10,0%	VAR_TOM_Pepsi	6,1	1,6	4,5
30,0%	VAR_UNAIDED_Pepsi	9,0	8,7	0,3
60,0%	VAR_FAMILIARITY_Pepsi	8,9	7,7	1,2
	LEVEL EVALUATIONS	6,2	3,0	3,2
25,0%	VAR_PRICE	7,0	4,1	2,9
12,5%	VAR_QUALITY1	5,1	1,9	3,1
12,5%	VAR_QUALITY2	8,0	3,6	4,4
10,0%	VAR_APEAL	6,0	3,0	3,0
5,0%	VAR_NEEDS	7,6	3,3	4,3
1,0%	VAR_IDENTITY_1	6,5	6,9	-0,4
1,0%	VAR_IDENTITY_2	7,2	4,7	2,5
1,0%	VAR_IDENTITY_3	4,7	2,7	2,0
1,0%	VAR_IDENTITY_4	4,4	2,2	2,2
1,0%	VAR_IDENTITY_5	6,6	3,0	3,6
1,0%	VAR_IDENTITY_6	3,9	1,8	2,1
1,0%	VAR_IDENTITY_7	6,0	3,1	2,9
1,0%	VAR_IDENTITY_8	7,0	4,4	2,6
1,0%	VAR_IDENTITY_9	3,9	2,5	1,4
1,0%	VAR_IDENTITY_10	5,1	2,8	2,2
15,0%	VAR_DIFFERENTIATION	4,8	1,8	3,0
10,0%	VAR_OPINION	5,8	1,9	3,8
	LEVEL RELATIONSHIP	6,7	3,3	3,5
16,7%	VAR_BUYING1	9,0	8,7	0,3
16,7%	VAR_BUYING2	5,6	1,5	4,1
16,7%	VAR_BUYING3	6,5	2,9	3,6
16,7%	VAR_POPULARITY1	7,3	3,9	3,5
16,7%	VAR_POPULARITY2	7,9	2,0	5,9
16,7%	VAR_POPULARITY3	3,9	0,7	3,2

Source: Facebook questionnaire

When analyzing the results on a scale from 0-10 there is a significant difference between those who are fans and those who are non-fans of Pepsi Max. The level of awareness has increased with 14.9% from non-fans to fans, whereas evaluations and relationship has increased 51.6% and 50.7% respectively from non-fans to fans. It can hence be concluded, that being fan of

Pepsi Max' Fanpage affects all the brand equity levels positively, but the biggest effect is within the evaluation and relationship levels.

When analyzing the specific variables that constitute the different brand equity levels, it might seem that the TOM variable in the brand awareness level has the biggest impact on the awareness level compared to unaided awareness and familiarity, since the difference between fan and non-fan is highest here. However, since the TOM variable is not equally important compared to the other two variables within this level, and only weighted with 10%, familiarity is considered more important within the awareness level, since familiarity score 8.9 among the fans which is 1.2 more than non-fans.

Considering brand evaluations, var_quality2 (*has good qualities*) has the highest score (8.0) followed by var_identity_2 (*gives pleasure*) and price. Price is weighted 25% and therefore an important measure in the brand evaluation level. Since fans score better on price compared to non-fans, it can be concluded that being fan of Pepsi Max' Fanpage has a positive influence on the evaluation of price. The same can be concluded when considering quality.

As mentioned in chapter 3, since image as choice criteria within the CSD category is viewed as unimportant, I do therefore not interpret the 10 different brand identity statements as being of high importance. Therefore even though some of the identity statements score are high, they do not affect the overall evaluation level and it could be considered if the identity statements should be included in the evaluations level at all. Those two identity statements with the biggest difference between fans and non-fans are var_identity_5 (*the edgy, but broad appealing soda*) and var_identity_7 (*music*), which makes sense when the application “*Max the Music*” is taken into consideration. Var_identity1 (*sugar free*) is the only variable that has a negative difference, probably due to the fact that being sugar free is not necessarily something the consumers value.

In the brand relationship level, the variable with the biggest difference between fans and non-fans is var_popularity2 (*a brand that become more and more popular*) with a 5.9 difference on the scale going from 0-10. The difference between fans and non-fans within the relationship level is significantly positive (only exception is buying1 – *have ever tried or bought*).

6.3 Facebook Functions Effect on the Brand Equity Levels

In order to analyze which Facebook functions have the most impact on the three brand equity levels, the brand equity score of the 11 different functions are calculated in the below table.

“Users” indicates those who has interacted at all with the functions, whereas “Do not use” indicates those who has never interacted with the functions. Based on these scores the difference between users and non-users has been calculated. It would have been preferred to have analyzed the results based on those who interacts often (high) compared to those who interacts rarely (low). However, the sample size of 73 fans was not sufficient to accommodate this comparison.

Table 11: Ranking of Facebook Functions

	Advertising		Sponsorship	Corporate Communication			Sales promotion	Public relations			
	Banner	Sponsored story	Application	Photos	Videos	Questions	Competitions	Wall post	Share	Comment	Like
Users:											
AWARENESS	8,8	8,9	8,7	8,8	8,7	8,4	8,9	8,8	8,7	8,8	8,7
EVALUATIONS	6,3	6,6	6,3	6,4	6,5	6,2	6,5	7,7	6,8	7,1	6,6
RELATIONSHIP	6,9	7,3	6,8	7,0	7,1	6,8	7,2	8,2	7,3	7,7	7,1
Do not use:											
AWARENESS	7,5	7,5	7,5	7,5	7,5	7,7	7,5	7,7	7,7	7,7	7,6
EVALUATIONS	3,4	3,4	3,2	3,2	3,2	3,7	3,3	3,7	3,7	3,5	3,3
RELATIONSHIP	3,7	3,7	3,5	3,5	3,5	4,0	3,6	4,1	4,1	3,8	3,6
Difference:											
AWARENESS	1,3	1,4	1,2	1,3	1,2	0,7	1,4	1,1	1,0	1,1	1,1
EVALUATIONS	2,9	3,2	3,1	3,2	3,3	2,5	3,2	4,0	3,1	3,6	3,3
RELATIONSHIP	3,2	3,6	3,3	3,5	3,6	2,7	3,7	4,1	3,3	3,9	3,6
Rank:											
AWARENESS	4	2	5	3	6	11	1	8	10	9	7
EVALUATIONS	10	7	8	5	4	11	6	1	9	2	3
RELATIONSHIP	10	4	8	7	6	11	3	1	9	2	5

Source: Facebook questionnaire

Based on the differences between those who interact with the functions and those who do not, the scores have been ranked (1-11) for each brand equity level in order to analyze which function has the highest impact on the individual brand equity level. Low ranking indicate high impact whereas high ranking indicate low impact. Normally it can be concluded based on ranking which variable has the highest impact. However, since the differences between the different functions are considerably small, and the sample sizes for each function are equally small, I need to be cautious with the conclusions that can be drawn based on these results.

Nevertheless, *questions* and *share* do not have any significant effect on any of the brand equity levels, when considering the difference between those who use the function and those who do not. Both functions are ranked high, why these functions are unimportant for Pepsi Max¹⁵.

On an overall level, being fan of Pepsi Max only increase awareness with 14.9% as mentioned above, why Pepsi Max should consider using other activities in combination with Facebook in

¹⁵ By analyzing the sample sizes considering these two functions, it became clear that not many fans use these two functions which support the conclusion that they are unimportant for Pepsi Max.

order to increase awareness. However, the functions with the best ranking and thus the highest impact on the brand awareness level are competitions and sponsored stories (1.4 difference) why it can be argued that advertising and sales promotion activities can be used to increase awareness.

Being fan of Pepsi Max increase evaluations and relationship with around 50%, and consequently all functions has a high difference considering these two levels. Those functions that have the best ranking are the public relations activities (except from share) as well as competition, photo/videos and sponsored stories. Since Pepsi Max cannot fully control the public relations function, they need to make the content they can control interesting, so fans are willing to interact with the content.

6.3.1 Scorecard

In order to make an applicable overview of the different Facebook functions and how they affect the brand equity levels, a scorecard is completed in line with traditional media instrumentality. This is based on the above analysis of the different functions and how appropriate the different functions are to build the different Pepsi Max brand equity levels.

Model 10: Scorecard for Facebook Functions Effect on Brand Equity

	Advertising		Sponsorship	Corporate Communication			Sales promotion	Public relations			
	Display Ads	Sponsored stories	Applications	Photo	Video	Questions	Competition	Wall post	Share	Comment	Like
Awareness	*	**	*	*	*	*	**	*	*	*	*
Evaluations	***	***	***	***	***	***	***	****	***	****	***
Relationship	***	****	***	****	****	***	****	****	***	****	****

Source: own contribution

As mentioned, I need to be critical concerning my conclusions due to the small sample size and the margin of uncertainty of about 1. To complete the scorecard a scale from 1-4 is used, where four stars indicates the most appropriate functions. In order to fill in the scorecard the difference between users and non-users from the above table has been round up or down. 1 consequently corresponds to one star, 2 corresponds to two stars etc. Even though the differences between all functions in the brand awareness level is very similar, wall post and sponsored stories receives two stars, since these have the best ranking.

In order to answer the question in the problem statement (*to what extent can investments on Facebook build brand equity*) emphasis should be placed upon the average brand equity score which can be measured based on the results from the fans vs. non-fan (table 10).

When comparing the three brand equity levels, the average of the difference between fans and non-fans measured for each level is biggest for the relationship level (awareness 1.99, evaluations 2.69 and relationship 3.44). In chapter 4, the average brand equity score was calculated based on the involvement weights resulting in a score of 3.66 (sub-chapter 4.3). When calculating the brand equity score based on the Facebook results (dark blue area in table 10) and including the involvement weights (50%, 30% and 20%) the average brand equity score for fans is 7.54 and for non-fans 5.25, which indicates a difference of 2.29 scores. The difference between the fans (7.54) and the brand equity score in the RU tracking (3.66) is 3.88 which indicate the extent to which Facebook can build the Pepsi Max brand. Having identified the branding effect of being a fan, the return-on-investment (ROI) could be calculated by using a simple formula:

Effect/Cost = ROI.

However, since the costs for Pepsi Max' Facebook investments have not been included in this thesis, the ROI cannot be calculated since identifying the cost structure is beyond the scope of this thesis.

6.4 Sub-conclusion

To answer the fourth research questions, an analysis of the different Facebook functions and their effect on the three brand equity levels is made. In order to assess the construct validity of the groups initially the framework for how to categorize the different functions needs to be analyzed. The analysis showed that the 11 functions can be categorized according to the five IMC activities, since if a fan use one function within an IMC activity, the possibility for the fan to use one of the other functions within the same IMC activity is considered high. Furthermore the analysis showed that the functions within the same IMC activity has high correlation. Since the previous chapter has established a link between the communication objectives and the branding objectives, the Facebook functions can consequently be measured in relation to the three brand equity levels.

In order to analyze the different functions impact on brand equity, it was first analyzed if there is any difference between fans and non-fans. The analysis showed a significant difference

between those who are fans and those who are not and next step was to analyze the effect of the individual functions, by ranking these functions depending on how much impact they have on the specific brand equity level. Based on this analysis, a scorecard was completed in order to make an applicable overview of which functions Pepsi Max should focus on depending on their branding objectives.

The total brand equity score was finally measured based on the involvement weights. The result showed a difference in total brand equity score of 3.88 between those who are fans and the results of the RU tracking which indicates the extent to which Facebook can build the Pepsi Max brand.

Chapter 7 Strategy for Pepsi Max' Investments on Facebook

In order to strengthen the Pepsi Max brand within the CSD category, Pepsi Max needs to have a clear strategy for the future investments on Facebook. The purpose of this chapter is thus to answer the fifth research question by comparing the results of the two empirical analysis. Before doing so, the concept of strategy is defined and put in relation to the *stimuli* i.e. investments on Facebook and the *response* i.e. brand equity.

7.1 What is a Strategy?

One thing is to know the branding and communication objectives, but what else is there to be considered when formulating a Facebook strategy? Strategy is more than the outcome of chapter 6 and where do you start when you have decided upon using Facebook as a platform for your brand?

Since Facebook is a relatively new medium, many different practical types of strategy exist considering this medium, depending on who are executing the activities, whereas there do not exist any academic ones. Mindshare has made a practical type of strategy for social media called “*Social 360 degrees*” divided into eight steps. However, I find this strategy insufficient, since one of these steps is simply *strategy*, without any further definition of what is included in this step (for illustration, see appendix 15).

If an academic framework should be formulated for how to make a Facebook strategy, this could be done by e.g. considering the more traditional way of making strategy, for example as proposed by De Wit & Meyer (2010). According to them, three dimensions of strategy exist - context, process and content. *Context* is the conditions surrounding strategy activities under which the strategy process and content are determined. The strategy *process* is the *how*, *who* and *when* of strategy, e.g. how strategy should be made, analyzed, implemented, controlled and changed. The strategy *content* is the product of the process or the result of the strategy activities and is concerned with the “what” of strategy (e.g. what is and should be the strategy for the company) (De Wit & Meyer, 2010). These three dimensions constitute a framework for how to make traditional strategy, and will be treated below in relation to Pepsi Max.

7.1.1 Facebook Strategy Context

When considering the context surrounding Pepsi Max, this includes the *industry*, *organizational* and *international* context. Industry context is whether the industry circumstances set the rules to which companies must comply or whether companies have the

freedom to choose their own strategy or even change industry conditions. The organizational context is where organizational circumstances largely determine the strategy process and content followed (De Wit & Meyer, 2010). In the international context strategists must deal with the question of whether adaptation to the diversity of the international context is required or if the company has the freedom to choose their strategy process and content irrespective of the international context (De Wit & Meyer, 2010). PepsiCo owns the brand Pepsi Max and Royal Unibrew holds the license of Pepsi Max on the Danish market. However, Royal Unibrew has the freedom to choose their own strategy process and content for Pepsi Max, why they are not making strategy within an international context.

Another way looking at the industry and organizational context, is to determine which factors that need to be analyzed, e.g. the outside factors (consumers, competitors) or the inside factors (internal resources, values etc.). On a fundamental level, two opposing perspectives on how to create a strategy can be identified - the outside-in and inside-out perspective. The former focuses on the external whereas the latter focuses on the internal. Whether choosing one or the other, there must be a fit between the organization and the environment (De Wit & Meyer, 2010). This choice of strategic direction is essential, as the chosen perspective determines whether the firm should be primarily strength driven (internal) or opportunity driven (external) (De Wit & Meyer, 2010).

At present time the primary focus for this thesis has been on the external factors, why I have adopted an outside-in perspective. When adopting an outside-in perspective, the company's environment is the starting point and it has been argued, that most successful companies are externally oriented and market-driven (De Wit & Meyer, 2010). This corresponds to the industry context, where Pepsi Max has the freedom to choose own strategy. When analyzing the Facebook investments, not much attention has been given to Pepsi Max' competitors since investments in Facebook is still considerably new, why it doesn't make sense to benchmark against competitors yet, but should be something Pepsi Max at some point should focus on.

7.1.2 Facebook Strategy Process

Most textbooks have traditionally portrayed the strategy process as basically a linear progression including three stages i.e. strategy analysis, strategy formulation and strategy implementation where strategists rationally identify, determine, evaluate, choose, translate and carry out based on extensive knowledge of all important factors. This view has however been challenged, due to among other things the strong emphasis on rationality and the division of

the strategy process into a number of sequential phases since the strategy process is messier with activities going on all the time etc. (De Wit & Meyer, 2010).

Since Facebook is a relatively new medium, the way of using and exploiting the medium still holds an element of uncertainty as mentioned in the introduction. The *how* of strategy is therefore not something that is given beforehand, since investments on Facebook is in the beginning of the innovation curve. Two different perspectives can be adopted here, the *planning* perspective and the *incremental* perspective (De Wit & Meyer, 2010). Proponents of the planning perspective argue that strategies should be deliberately planned and executed whereas proponents of the incremental perspective argue that new strategies emerge over time as managers proactively piece together a course of action or reactively adapt to unfolding circumstances. Even though Pepsi Max is a relatively stable brand, Facebook is new and constantly changing, why it is not possible to make any commitments or strategies for a longer period. Pepsi Max should therefore adopt the incremental perspective when considering the how of strategy.

There are three parts involved when considering the “*who*” of strategy, PepsiCo and Royal Unibrew and the Mindshare. Mindshare is making the strategies for all Pepsi Max’ media investments in co-operation with Royal Unibrew. However, these strategies need to be in line with how PepsiCo wants the brand to be positioned, which sometimes delay different processes for all parties involved.

When deciding *when* the necessary activities should take place, it is still important to have a timeline and set short-term as well as long term objectives even though an incremental perspective has been adopted. Positioning is not short-term and opportunistic behavior, but requires a strategic perspective, because superior market positions are difficult to attain. Since Pepsi Max has already invested a large budget and time in their Facebook investments, the strategy should have been formulated before these investments, why the strategy needs to be formulated as soon as possible.

7.1.3 Facebook Strategy Content

Each strategy is essentially unique, why the strategy for Pepsi Max, what it is and what it should be, needs to be determined specifically based on the strategy context and process. Strategies can be made for different groups of people or activities within an organization e.g. for single activities on a single platform such as Facebook. The strategy for Pepsi Max needs to

be formulated the lowest level of aggregation, since this concerns one task and therefore needs to be formulated on the functional level (De Wit & Meyer, 2010).

When considering traditional marketing strategies, these serve as fundamental underpinning of marketing plans, designed to fill market needs and reach marketing objectives (De Wit & Meyer, 2010). These marketing plans and objectives are generally tested for measurable results. Most commonly, marketing strategies are developed as multi-year plans, which include tactical plans detailing specific actions to be accomplished during the current year. The content of marketing strategies involves several activities including careful scanning of the internal and external environments, making a strategic plan and identifying business alternatives, establish challenging goals, determine the optimal marketing mix (4P's) to attain these goals and designing an implementation plan including assigning budget for the marketing activities. Besides this a final activity includes developing a plan to monitor progress and a set of contingencies if problems arise in the implementation of the plan (De Wit & Meyer, 2010).

I believe that Pepsi Max' Facebook strategy should include many of the same elements which are included in the traditional marketing strategy, but some emphasis should be placed on certain elements whereas other elements should be excluded or be modified to some degree. When considering the scanning of internal and external environments, most emphasis should be placed on the target market analysis, since Facebook is a social medium intended for user-generated content as mentioned in the introduction. Facebook, as well as other new platforms, changes the basic communication conditions, since the users are placed in the center of communication, why the users plays an important part when Pepsi Max should make a strategy for this platform.

When making the strategic plan for a strategy concerning only Facebook, it does not make much sense identifying business alternatives, as this should be a specific strategy for Pepsi Max' investments on Facebook. When determining the optimal marketing mix, Facebook mostly include the *promotion* element considering the traditional marketing mix of the 4P's, why the different Facebook functions, as mentioned in chapter 5 and 6, have been categorized according to the IMC Mix Model which is built around the promotion element. It therefore makes more sense when formulating strategies concerning Facebook, to look at the IMC Mix Model instead of the traditional marketing mix, since a strategy for Facebook investments should not consider neither the product, the place (or physical distribution) or the price.

An element that can be used from the Mindshare Social 360 degrees is the activities concerning *content* as well as *platform & conversation management*, since these two activities are unique considering a Facebook strategy versus a traditional marketing strategy. These two activities should be included in the specific implementation plan, and there should be allocated enough resources in terms of personal commitment and budget for the different activities, since it is a very decisive area considering the objective with using the platform, i.e. to interact with the consumers and have a dialogue, why this needs to be satisfactory handled. Making sure that there is assigned budget for the specific activities as well as secure commitment of personal resources should therefore be specific activities in the Facebook strategy framework.

7.1.4 Framework for Pepsi Max Facebook strategy

Based on the above considerations when formulating strategy, a framework for the Pepsi Max Facebook strategy should include the below activities:

- *Scanning of environment with emphasis on target market analysis*
- *Formulate a strategic plan including:*
 - o *Establishing goals*
 - o *Determine the optimal IMC Mix*
 - o *Make implementation plan including a plan for “content” and “platform & conversation management”*
 - o *Assign budget for activities*
 - o *Secure commitment of personal resources*
- *Continuous evaluation, monitoring of progress and development to contingency plan*

As the theory prescribes, these activities should take place all the time and continuously being changed if modifications are needed.

7.2 Applying the Framework

Considering the previous four chapters, focus for this thesis has been on two of the activities within the above strategy i.e. establishing goals (response) and determine the optimal IMC Mix (stimuli). In order to answer the second question in the problem statement (*how can Pepsi Max leverage Facebook in order to strengthen their brand?*), it needs to be analyzed, how stimuli and response relate by assembling the results of the two above analysis.

As analyzed in chapter 4 the key objectives Pepsi Max should focus on when considering future marketing investments is to *increase brand awareness* and *strengthen brand*

evaluations. The scorecard completed in chapter 5 can be used for choosing between the different Facebook functions, based on how much effect the function has on the specific brand equity level. In order to reach the objective of increasing awareness, Pepsi Max should focus on advertising and sales promotions by using the functions “*sponsored story*” as well as “*competitions*”. This result is in line with theory since the product category decides which IMC activities the advertiser should focus and since Pepsi Max is a low involvement product, they should focus on advertising and sales promotions according to Pickton & Broderick (2005). Since being fan of Pepsi Max only increases the brand awareness score with 14.9% Pepsi Max should use other media channels in order to increase awareness. As mentioned in the introduction “*socialcasting*” has not replaced “*broadcasting*”, why a combination of these is preferable.

Being fan of Pepsi Max increases the evaluations and relationship with about 50%, why Pepsi Max can use all the different Facebook functions in order to strengthen evaluations. The only functions with four stars considering the brand evaluation level, is “*wall post*” and “*comment*” within the public relations activity. Since these functions are not controlled by Pepsi Max, they need to allocate time and resources into generating relevant content, by e.g. using photos, videos or competitions. This increases the importance of the “*content*” and “*platform & conversation management*” which should be included in the implementation plan.

7.3 Sub-conclusion

To answer the fifth and final research question, a framework for how to make a Facebook strategy is conceptualized by using an existing framework for how to make traditional marketing strategies proposed by De Wit & Meyer (2010).

The framework for Pepsi Max’ Facebook strategy should include many of the same elements as included in the traditional framework, though with certain modifications. Since Facebook mostly includes the *promotion* element considering the traditional marketing mix, it makes more sense to use the IMC Mix Model which is also the reason for why the Facebook functions has been grouped according to this model. Besides this, focus should be placed upon “*content*” and “*platform & conversation management*”.

By formulating a framework for a Facebook strategy it becomes possible to answer the second question within the problem statement, and analyze how Pepsi Max should leverage Facebook in order to strengthen their brand. Included in the framework for the Facebook strategy is

establishing goals and determine the optimal IMC Mix which is equal to the stimuli and response analyzed in this thesis.

The established goals are to increase brand awareness and strengthen brand evaluations, so that the brand is evaluated positively in the minds of the consumers. The scorecard can consequently be used for deciding the optimal IMC Mix for reaching the objectives. To increase awareness, Pepsi Max should use advertising and sales promotions by using the functions “*sponsored story*” as well as “*competitions*”. To strengthen the evaluations Pepsi Max should focus on public relations, by increasing the level of involvement and hence get the fans to write *wall posts* as well as *comment* on their content.

Chapter 8 Conclusion

This thesis has included branding, advertising and consumer behavior theory, which together have established the theoretical foundation for analyzing Pepsi Max' future usage of the social medium Facebook and based hereon answer the problem statement: *To what extent can the social medium Facebook build the Pepsi Max brand and how can Pepsi Max implement Facebook in order to strengthen their brand?*

To solve this specific task for Pepsi Max, validity has thus been deducted from theory and the thesis has been structured according to the traditional stimuli-response theory. Considering the research design, this has been twofold, since the theoretical foundations have been identified on one side for both response (brand equity) and stimuli (Facebook investments) while afterwards applying empirical data about Pepsi Max on the other side. Using this method has successfully allowed for the different theoretical concepts to be interpreted from the thesis' perspective and resulted in frameworks applicable for Pepsi Max.

First, the concept of customer-based brand equity have been defined according to this thesis understanding of the concept and a framework has been conceptualized based on Keller and Aaker's brand equity models. Even though the environment has changed due to the social media revolution, no new branding theories have emerged and hence no new frameworks for how to measure brand strength. The framework was made applicable for Pepsi Max and three brand equity levels were included in the framework (awareness, evaluations and relationship). The specific variables within the overall brand equity levels were weighted according to their importance for Pepsi Max. Since the theory does not prioritize between the different levels within the brand equity models, a measurement of involvement was included in the framework for Pepsi Max in order to be able to prioritize between the three brand equity levels.

Next, the level of involvement within the CSD category have been measured as well as Pepsi Max' current level of brand equity. The involvement level on the PII scale was 34.4 which indicates low involvement why brand awareness is Pepsi Max' most important objective and the weights of the different levels were identified (50% awareness, 30% evaluations, 20% relationship). The current level of brand equity was afterwards measured and the results shows that Pepsi Max performs well considering brand awareness (average 5.0) whereas the brand experiences challenges compared to their competitors in the brand evaluation (average 2.2) and brand relationship level (2.5). A slightly positive relationship between involvement and brand equity was furthermore found which indicate that if the consumers get more involved with

Pepsi Max, the level of brand equity will simultaneously increase and vice versa. With these results taken into consideration, Pepsi Max' key objectives have been identified as being 1. *Increase awareness* and 2. *Strengthen positive evaluations*.

Having identified which *response* Pepsi Max should focus on, next step was to research which *stimuli* can be used to condition this response by identifying a framework for categorizing the Facebook functions. In order to conceptualize this framework, this required a link to be established between the branding objectives and the communication objectives why the AIDA model was included in a modified version. In order to fit the Facebook functions to the communications objectives in the framework and hence analyze what the different functions build, these were first categorized according to the IMC Mix Model, based on the their media instrumentality. The 11 functions were categorized according to *advertising*, *sponsorship*, *corporate communication*, *sales promotion* and *PR*. These activities should have been categorized according to the communication objectives, but since one activity may reach several objectives, this was not simple why the activities and hence Facebook functions should be empirically tested.

Next, the 11 functions were analyzed by using the conceptualized framework for how to categorize the Facebook functions. In order to assess the construct validity of the grouping of the functions, initially the framework for how to categorize the different functions was analyzed. The analysis showed that if a fan uses one function within an IMC activity, the possibility for the fan to use one of the other functions within the same IMC activity is considered high and furthermore the functions within the same IMC activity have the same effect. In order to analyze the functions impact on brand equity, it was first analyzed if there was any difference between fans and non-fans and the analysis showed a significant difference, where being fan of Pepsi Max increases brand awareness with 14.9%, brand evaluations with 51.6% and brand relationship with 50.7%. Next the effect of the individual functions was analyzed, by ranking these functions depending on how much impact they have on the specific brand equity level. A scorecard was completed which summarized the effect the different functions have on the different brand equity levels, even though the sample sizes made it difficult to frame conclusions. To answer the first question within the problem statement, the analysis showed a difference in total brand equity score of 3.88 between those who are fans and the results of the RU tracking which is a significant difference and indicates the extent to which Facebook can build the Pepsi Max brand.

Finally a strategy was made where the output of brand equity served as input for setting and prioritizing Pepsi Max' investments on Facebook. First, a framework for how to formulate a Facebook strategy was made. Included in this framework was “*establishing goals*” and “*determine the optimal IMC mix*” which have been the focus for this thesis (i.e. *brand equity* and *choosing between Facebook functions*). By comparing the results of the branding objectives and the scorecard for the Facebook functions, it thus becomes possible to answer the second question within the problem statement. Pepsi Max should consequently leverage Facebook in their strategy by using:

- ✓ Advertising and sales promotions in order to increase brand awareness.
 - Emphasis should be placed upon the functions “*sponsored stories*” as well as “*competitions*”.
- ✓ Focus on public relations in order to strengthen brand evaluations.
 - Pepsi Max should allocate time and resources in order to generate relevant content, in that way to make fans “*comment*” the content as well as increase the level of involvement and make the fans write *wall posts* on.

8.1 Thesis put in Perspective

The way of using and exploiting Facebook still holds an element of uncertainty. The results generated in this thesis are relevant for Pepsi Max in order for them to exploit the vast number of opportunities the social media revolution is causing. The results become of practical importance for Pepsi Max, since they can easily include them in a strategy for their future investments on Facebook. The analysis has clearly established specific branding objectives, as well as researched which Facebook functions Pepsi Max can leverage in order to reach these objectives. The only critical element considering these results is the sample sizes for analyzing the Facebook functions since these are very small, why it could be interesting to execute the analysis once again in future research in order to get bigger sample sizes.

As always when a project approaches the end, there are several things that could have been done differently and the results give ideas for new research areas. The final product of a project is the outcome of a series of choices made, and the learning's based on these choices make it possible to reflect on what should be done in the future.

Having established which functions Pepsi Max should use, future research within this area should focus on the cost of the different functions and how much the company get in return. The ROI of social media is often discussed, but agreeing upon how to measure it has never

been easy. Some argue that it is not really necessary to establish a direct ROI, with the actual value being the openness and transparency afforded to consumers across social networks. However, I still find it interesting and relevant to research how much e.g. a fan is really worth or how much a fan cost (or how much e.g. a “like” or “comment” cost).

Facebook continues to develop, why future research also should focus on how to analyze the developments and how these can be included in a Facebook strategy, if appropriate. An example of a recent initiative include “Klout”-scores, which is a widget companies on Facebook can buy that measures the influence degree certain fans has on friends within their network. By using this widget, the companies can reward their most faithful ambassadors with e.g. product samples, unique experiences etc. Research shows that many Danish Facebook users still are somewhat sceptical considering entering into a direct commercial contact with brands, why this technology might not be ready for the Danish market yet. However, one thing is certain. The enormous growth and popularity Facebook has gained during a short period of time makes it interesting to keep up with new developments and find interesting ways of best exploiting the new opportunities.

9 List of references

Books and articles:

- Aaker, D. A. (1991). *Managing brand equity: capitalizing on the value of a brand name*. New York: The Free Press
- Aaker, D. A. (1996 (2002)). *Building strong brands*. New York: The Free Press.
- Andersen, I. (2005). *Den skinbarlige virkelighed om vidensproduktion inden for samfundsvidenskaberne* (3. udgave). Frederiksberg: Samfundslitteratur.
- Arnould, E., Price, L., & Zinkhan, G. (2005). *Consumers* (2nd ed.). Boston: McGraw-Hill.
- Barry, T. F. & Howard, D. J. (1990). *A review and critique of the hierarchy of effects in advertising*. International Journal of Advertising, 9(2), 121-135.
- Blumberg, B., Cooper, D. R., & Schindler, P. S. (2008). *Business research methods; business research methods* (2nd ed.). London: McGraw-Hill.
- Davidson, T.L. (1994). *Assessing the effectiveness of persuasive communications in tourism*. In J.R. Brent Ritchie & C.R. Goeldner (eds) Travel, Tourism, and Hospitality Research. A handbook for managers and Researchers. New York: Wiley
- Davies, S.M. & Dunn, M. (2002). *Building the brand-driven business: operationalize your brand to drive profitable growth*. Chichester: John Wiley and Sons Ltd.
- Diamantopoulos, A., & Winklhofer, H. M. (2001). Index construction with formative indicators: An alternative to scale development. *Journal of Marketing Research (JMR)*, 38(2), 269-277.
- Edelman, D. C. (2010). Branding in the digital age. *Harvard Business Review*, 88(12), 62-69.
- Fisher, T. (2009). *ROI in social media: A look at the arguments*. Database Marketing & Customer Strategy Management, vol.16, 3, 189-195
- Franzen, G. (1999). *Brands and advertising how advertising effectiveness influences brand equity*. Henley-on-Thames: Admap.
- Fuglsang, L., & Olsen, P. Bitsch (2004). *Videnskabsteori i samfundsvidenskaberne på tværs af fagkulturer og paradigmer*. (2. udgave.). København: Roskilde Universitetsforlag.
- Grønholdt, L. Hansen, F., & Christensen, L. Bech (2006). *Markedskommunikation. bd. 1 metoder og modeller i mediaplanlægning og reklamestyring*. (2. udg ed.). København: Samfundslitteratur.
- Hair, J. F., Bush, R. P., & Ortinau, D. J. (2006). *Marketing research : Within a changing information environment* (3rd ed.). Maidenhead: McGraw-Hill Education.

- Harvard (2010). *The New Conversation: Taking Social Media from Talk to Action*. A report by Harvard Business Review Analytic Services, available through link: <http://www.sas.com/reg/gen/corp/1207823-pr>
- Jones, B., Temperley, J., & Lima, A. (2009). *Corporate reputation in the era of web 2.0: The case of primark*. *Journal of Marketing Management*, 25(9/10), 927-939.
- Kapferer, J. (1997). *Strategic brand management. Creating and sustaining brand equity long term*; (2nd ed.). London: Kogan Page.
- Keller, K. L. (1993). *Conceptualizing, measuring, managing customer-based brand equity*. *Journal of Marketing*, 57(1), 1-22.
- Keller, K. L. (2008). *Strategic brand management - building, measuring, and managing brand equity*. (3rd ed.). Upper Saddle River, NJ: Prentice Hall.
- Keller, K. L. (2009). *Building strong brands in a modern marketing communications environment*. *Journal of Marketing Communications*, vol. 15, April-July, 139-155
- Kotler, P. (2000). *Marketing management*. The millennium edition ed.. London: Prentice Hall International.
- Kotler, P. (2003). *Marketing management - Analysis, Planning, Implementation and Control*. 11th edn. Prentice Hall
- Lambin, J. (2000). *Market-driven management : Strategic and operational management*. London: Macmillan Press Ltd.
- Lavidge, R. J. & Steiner, G. A. (1961). *A Model for Predictive Measurements of Advertising Effectiveness*. *Journal of Marketing*, Vol. 25, No. 6, Oct. 1961, p. 59-62
- Markedshorisont (2009). *Mediers instrumentalitet - er det nok?* Thomas Queck, Markedshorisont, 2009 (2), 31-33
- Markedshorisont (2010a). *Det nye medie økosystem*. Martin Rasmussen, Markedshorisont, 2010 (3), 4-5
- Markedshorisont (2010b). *Hvem siger du overhovedet skal være på Facebook?* Anders Christiansen, Markedshorisont, 2010 (3), 45-46
- Markedshorisont (2010c). *Hvilken værdi skaber involvering?* Thomas Queck, Markedshorisont, 2010 (3), 34-36
- Martensen, A. & Grønholdt, L. (2004). *Building Brand Equity: A Customer-Based Modelling Approach*. *Journal of Management Systems*, Vol. XVI, No. 3
- Newbold, P., Carlson, W. L., & Thorne, B. M. (2006). *Statistics for business and economics*. (6th ed.). Upper Saddle River: Pearson Higher Education.

- Orfelt, B. Spellerberg (2008). *Moderne massekommunikation - fra tiltale til samtale*. I: Eiberg, Kristian, Erich Karsholt og Simon Torp (red.): Integreret markedskommunik. 2008, s. 121-133
- Pelsmacker, P. d., Geuens, M., & Bergh, J. v. d. (2007). *Marketing communications. A european perspective*. (3rd ed.). Harlow: Financial Times Prentice Hall.
- Peter, J. P., & Olson, J. C. (2002). *Consumer behavior and marketing strategy*. (6th ed.). London: McGraw-Hill Publishing Company.
- Pickton, D., & Broderick, A. (2005). *Integrated marketing communications*. (2nd ed.). London: FT Prentice Hall.
- Spector, P. E. (1992). *Summated Rating Scale Construction An Introduction*. A Sage University Paper, Sage Publications, Inc. University of Iowa.
- Thurén, T. (2004). *Videnskabsteori for begyndere*. København: Rosinante.
- Vakratsas, D., & Ambler, T. (1999). *How advertising works: What do we really know?* Journal of Marketing, 63(1), 26-43.
- Vandermerwe, S. (2000). *How increasing value to customers improves business results*. Sloan Management Review, 42(1), 27-37.
- Vaughn, R. (1980). How advertising works: A planning model revisited. Journal of Advertising Research, 20(5), 27-33
- Vaughn, R. (1986). *How advertising works: A planning model revisited*. Journal of Advertising Research, 26(1), 57.
- Wit, B. d., & Meyer, R. (2010). *Strategy. Process, content, context an international perspective*; (4th ed.). London: Thomson.
- Zaichkowsky, J. L. (1985). *Measuring the involvement construct*. Journal of Consumer Research, 12(3), 341-352.

Reports:

- Euromonitor (2010). *Carbonates - Denmark*. Euromonitor International: Country Sector Briefing, January 2011
- Trendanalysen (2011). Trendanalysen 2010. Prepared by TNS Gallup in co-operation with the media agency Mindshare.

Tools and websites:

Gemius SA

Mindshare 3D Database

TNS Gallup Denmark

www.Facebook.com

Other sources of information:

- Material and data from Mindshare
- Material and data from Royal Unibrew

10 Overview of Appendix

Appendix 1: CSD Category in the Danish Market.....	84
Appendix 2: Pepsi Max' Brand Identity Statements	86
Appendix 3: Data Collection.....	87
Appendix 4: Further Definition of the Concept of Brand Equity.	89
Appendix 5: Further Explanation of Aaker's Brand Equity Elements.....	91
Appendix 6: Further Explanation of Keller's CBBE Framework.....	92
Appendix 7: Choice Criteria within the CSD Category	95
Appendix 8: Overall Distribution of PII Scores.....	96
Appendix 9: Usage of CSD for Involvement	97
Appendix 10: Correlation between Brand Equity and Involvement Score	98
Appendix 11: Description of Facebook and Pictures of Functions.....	99
Appendix 12: Facebook Page Insights Reports.....	106
Appendix 13: Product Categories and the Marketing Communications Mix	108
Appendix 14: Correlation between Functions.....	109
Appendix 15: Mindshare Social 360 Degree	110

Appendix 1: CSD Category in the Danish Market

In Denmark the CSD category decreased by 2 % in 2010 to 364 million liters (Euromonitor 2010) and total volume sales are expected to decrease by 7% to 338 liters in 2015. This is due to the fact that consumers perceive carbonates as “unhealthy” and are actively lowering their consumption of carbonates accordingly. In Denmark, market saturation and an ageing population limit growth opportunities and this is encouraging increased segmentation via the continued development of niche products e.g. Pepsi Max Wild Side, a specialty low-calorie cola, that recorded the fastest growth in 2010. The success of Pepsi Max Wild Side has helped to reignite consumer interest in the category (Euromonitor 2010).

Carlsberg Denmark A/S is the clear market leader, with a 2010 off-trade value share of 58% (Euromonitor 2010) and holds the Danish license for the popular Coca-Cola brand. In 2010, Coca-Cola and Coca-Cola Light were the two best-selling carbonates on the Danish market. Royal Unibrew is no. 2 in the market, with a 2010 off-trade value share of 16%. Royal Unibrew holds the license of the Pepsi brand which is the third best-selling carbonate. Pepsi Max hold the seventh place and thus compete in a very competitive market, with the key competitors within low-calorie cola's being Coca-Cola Light and Zero (Table 1). The consumer demand for low-calorie carbonates has increased the availability and range of low-calorie drinks. Young professional females are traditionally the key consumers of low-calorie carbonates in Denmark, however increasing health and wellness concerns among the general population have helped the appeal of low-calorie carbonates to broaden (Euromonitor 2010a). Especially the launch of Coca-Cola Zero has increased the appeal among male consumers. Strong branding is a key tool for the competitive success (Euromonitor, 2010).

Standard brand sales on the Danish market are dominated by multinational brands such as Coca-Cola and Pepsi and, but also Coop, a private label brand, is also very competitive compared to the multinational brands.

In the below table, the top 10 brand shares within carbonates is listed with share figures from 2009 and 2010.

Table 1: Top 10 Brand Shares of Carbonates

% off-trade value rsp Brand	Company	2009	2010
Coca-Cola	Carlsberg Danmark A/S	27.0	27.2
Coca-Cola Light	Carlsberg Danmark A/S	10.7	9.8
Pepsi	Royal Unibrew A/S	7.9	7.9
Coca-Cola Zero	Carlsberg Danmark A/S	6.8	7.0
Coop	Coop Danmark A/S	6.9	6.8
Fanta	Carlsberg Danmark A/S	6.4	6.5
Pepsi Max	Royal Unibrew A/S	4.1	5.7
Classic	Dansk Supermarked A/S	4.3	3.9
Schweppes	Carlsberg Danmark A/S	3.4	3.4
Jolly	Bryggeriet Vestfyn	3.8	3.2

Source: Euromonitor 2010

Appendix 2: Pepsi Max' Brand Identity Statements

Table 2: Brand Identity Pepsi Max 2011

Brand identity statements	
Sugar-free	Music
Refreshing	Sport
Gives pleasure	Confident
The edgy, but broad appealing cola alternative	Tasty
Challenging	International
Modern	A healthier soda
Edgy	Youthful
Innovative	Fun

Source: Royal Unibrew

Appendix 3: Data Collection

RU Tracking

Mindshare continuously tracks the CSD category for progress and has each week 150 respondents. In this questionnaire, the respondents are questioned about their attitudes towards different brands within the category. The purpose of the tracking data is to assess brand loyalty and includes both prescriptive and predictive questions, in terms of State-of-Being data as well as State-of-Mind, State-of-Behavior and State-of-Intention data (Hair et al., 2006p. 359-360). Most of the data from the tracking is State-of-Mind data, which represent the mental attributes or emotional feelings of individuals that are not directly observable or available through some type of external source (Hair et al., 2006).

The tracking data will be used for the purpose of researching the *response* i.e. for measuring the strength of the brand in chapter 4. The data will be clustered according to this thesis' definition of brand strength and the means of measuring it. When using data from the tracking reports, this will be based on Pepsi Max' defined target group "*persons between 15-30 years*". I will be using data from the tracking reports in week 21 and 22, and my sample size will thus be of 309 respondents.

Since the tracking report is compiled every week, I have furthermore had the opportunity of including my own measures in the questionnaires in week 21 and 22, which has increased the validity of the results by strengthening the consistency between the theory and the empirical data.

Facebook Survey

In order to research the stimuli i.e. the different Facebook functions, I will be conducting an online survey among Facebook users, who are "fans" of Pepsi Max' Fanpage, by using an online questionnaire. Ideally, this questionnaire should have been placed on the Fanpage, and the objective was to get a sample size of 500 respondents, since the 11 functions to be tested need a significant sample size. However, this was not possible due to internal disagreements at Royal Unibrew. Instead, I made a Facebook event and invited all Facebook users in my network to join the event and answer the questionnaire. The event was made public, why everybody could join and invite others to participate and the event was therefore quickly spread through the viral effects on Facebook and has resulted in a sample size of 185 respondents. In this sample, 73 respondents were fans of Pepsi Max' Fanpage. Even though this sample size is smaller than the objective, it is still an appropriate size for answering the problem statement.

The consequence of collecting the data this way instead of only reaching the Pepsi Max fans is that I now have the opportunity to research if there is any difference between the non-fans and the fans and how they perceive Pepsi Max.

The questionnaire was divided into two parts where the first part considered general branding measurements from the RU tracking and the second part included the different Facebook functions Pepsi Max uses on their Fanpage. Being fan of Pepsi Max was consequently used as a screening criterion, since the respondents of the second part of the questionnaire need to be fan of Pepsi Max in order to evaluate the different functions. All respondents participating in the questionnaire were screened, why only those who are fans of Pepsi Max' Fanpage continued to the second part of the questionnaire. The data from this questionnaire will be used in chapter 6.

TNS Gallup and Mindshare 3D

To gain insight about the target group and the CSD category, TNS Gallup Index Denmark as well as Mindshare 3D has been used as secondary data. TNS Gallup Index Denmark is the largest and most well-known statistical tool in Denmark and is an in-depth media- and marketing information system, which measure media and brand consumption as well as lifestyle, socio demographics, activities, interests and attitudes among Danish consumers. Mindshare's 3D database with 2.500 annual respondents includes questions about consumers' attitudes towards different brands in different categories, including the CSD category. The purpose of the 3D database is to assess brand loyalty, and the database is single source with TNS Gallup Index Denmark.

Other Sources of Secondary Data

Besides the above, other sources of secondary data stems from various books, articles, reports and websites. Reports and websites have been used in order to gain information about the CSD category and Facebook, and the articles and books have been used in order to build the appropriate theoretical frameworks for this thesis.

Appendix 4: Further Definition of the Concept of Brand Equity.

Table 3: Definition of Brand Equity

	Definition of brand equity
David A. Aaker (1996)	<i>Brand equity is a set of assets (and liabilities) linked to a brand's name and symbol that adds to (or subtracts from) the value provided by a product or service to a firm and/or that firm's customers. The major asset categories are: 1. Brand name awareness, 2. Brand loyalty, 3. Perceived quality, 4. Brand associations, and 5. Other proprietary assets</i>
Kevin L. Keller (1998)	<i>Customer based brand equity is defined as the differential effect of brand knowledge on consumer response to the marketing of the brand.</i>

Source: Own making

Aaker's (1996) definition is setting the stage for the fact that Brand Equity can be both positive and negative, as you can imagine the Brand being associated with factors that will make people not want to buy the brand. The definition operates within three areas. First, Aaker has the idea that Brand Equity consists of a set of assets, which gives the company value. Second, Brand Equity has an impact on how communication of the brand is perceived differently by consumers, because there already exist knowledge of the brand in the mind of the consumer and in continuation of this, a changed behavior towards the brand. Last but not least, Brand Equity gives an extra value to the product.

The definition by Keller also operates within the three areas, however in the definition by Keller, added value is not mentioned, instead he uses the term "differential effect", which marketing investments of the brand has on the consumers response. By *brand knowledge*, Keller refers to the sum of brand awareness and brand image, expressed in an associative network that tie together knowledge, meanings and beliefs about the brand (Keller 2003). Keller's definition should thus be understood as communications effect on knowledge, which is split into the two universal communication effects, brand awareness and brand attitude. Therefore, in some cases where consumers are willing to base their choice on familiarity with the brand, brand awareness alone may be sufficient to result in more favorable customer

response. What this means is, that image is not build on many brand attitudes, but merely awareness of the product, thus it is expressed as a less complex associative network (Keller 2003). This is the case for many low involvement products.

Appendix 5: Further Explanation of Aaker's Brand Equity Elements

Brand awareness refers to the particular strength of and familiarity with the brand and consists of brand recognition and recall. Brand recognition is the consumer's ability to remember the brand and thus confirm prior exposure to the brand when only given the brand as a cue (Aaker 1996). In other words, when they go to the store, will they be able to recognize the brand as one to which they have already been exposed? Brand recall is the consumer's ability to retrieve the brand from memory, when given the product category as a cue. The first brand that comes to mind is categorized as being top-of-mind (TOM).

Brand associations can be described as the consumer's image of the brand which is assigned different properties e.g. product-related or non-product related. Product-related properties includes among other things reason-to-buy and non-product related properties concerns the attitudes and feelings towards the brand, since the brand can have many benefits which both can be experimental and symbolic.

Perceived quality partially overlap the brand associations the consumers have for the brand, since this asset among other things also include reasons-to-buy, price and the consumers attitudes and feelings (Aaker 1996). Perceived quality does not necessarily have something to do with the products inherent quality, but depends on the consumers' expectations. The perceived quality is often the key point of differentiation for companies and if it's improved, other elements of the consumers perception of the brand is equally improved.

Brand loyalty is one of the most important values, among other things from a financial point of view, since marketing costs are reduced significantly when the majority of consumers are loyal (Aaker 2001). It is therefore important for companies to increase loyalty in order to make consumers prefer your products over competitors, while acting as ambassadors for the brand which can attract new customers. One way of increasing brand loyalty is to create or enhance the relationship with the brand i.e. strengthen brand associations and perceived loyalty.

Appendix 6: Further Explanation of Keller's CBBE Framework

In order to use the four steps and create the right brand identity, brand meaning, brand response and brand relationship, it is useful to think of six “brand-building blocks” which can be used to accomplish the four steps necessary to create a strong brand. Creating significant brand equity involves reaching to top of the pyramid and will only occur if the right brand building blocks are in place.

Brand Identity

Brand Salience. Achieving the right brand identity involves creating brand salience which relates to aspects of customer awareness of the brand. How easily and often is the brand evoked under various situations or circumstances? To what extent is the brand top-of-mind (TOM) and easily recalled or recognized? What types of cues or reminders are necessary? How pervasive is brand awareness= Brand awareness thus refers to customers' ability to recall and recognize a brand and is more than just the fact that customers know a brand name and the fact that they have previously seen it, perhaps even many times. The concept also involves linking the brand – i.e. brand name, symbol, logo and so forth – to certain associations in memory. Building brand awareness involves thus making sure that customers understand the product or service category in which the brand competes. It also involves ensuring that customers know which of their needs the brand is designed to satisfy, i.e. what basic functions does the brand provide for customers?

Salience forms the foundation in developing brand equity and provides several important functions including the formation and strength of brand associations, influencing the likelihood that the brand will be a member of the consideration set and is thus important during possible consumption settings. Salience is an important first step in building brand equity, but is usually not sufficient in and of itself.

Brand Meaning

Creating brand meaning involves establishing brand image, which means what the brand is characterized by and should stand for in the minds of customers. Brand meaning is made up of two major categories of brand associations that exist in consumer's minds, *performance* and *imagery*.

Brand Performance. The product itself is at the heart of brand equity, as it is the primary influence of what consumers experience with a brand, what they hear about the brand from others, and what the firm can tell customers about the brand in their communications. In order to make successful marketing, it is important to deliver a product that fully satisfies consumers' needs and wants regardless of whether the product is a tangible good, service or organization. Brand performance relates to the ways in which the product or service attempts to meet customers more functional needs and thus refers to the intrinsic properties of the brand in terms of inherent product or service characteristics. The specific performance attributes and benefits that constitute functionality will vary widely by category but includes among other things product reliability, durability and service ability, style and design and price.

Brand Imagery. The other main type of brand meaning involves brand imagery which deals with the extrinsic properties of the product or service including the ways in which the brand attempts to meet customer's psychological or social needs. Brand imagery is how people think about a brand abstractly rather than what they think the brand actually does and the concept thus refers to more intangible aspects of the brand. These aspects include user profiles, purchase and usage situations, personality and values and history, heritage and experience.

The key criteria for brand meaning includes three important dimensions i.e. the strength, favorability and uniqueness of the brand associations.

Brand Responses

Brand responses refer to how customers respond to the brand, its marketing activities and other sources of information, i.e. what customers think or feel about the brand, and include *judgments* and *feelings*.

Brand Judgments. Brand judgments focus upon customer's personal opinions and evaluations with regard to the brand and involve how customers put together all the different performance and imagery associations for the brand to form different kinds of opinions. Four types of summary brand judgments are particularly important and include brand quality, brand credibility, brand consideration and brand superiority.

Brand Feelings. Brand feelings are customer's emotional responses and reactions with respect to the brand and relate to the social currency evoked by the brand. What feelings are evoked by the marketing program for the brand? How does the brand affect customer's feelings about themselves and their relationship with others? These feelings can be positive or negative, mild

or intense and there exist six important types of brand-building feelings; warmth, fun, excitement, security, social approval and self-respect. The first three are more experiential and immediate and increases the level of intensity whereas the three latter are more private and enduring and thus increases the level of gravity.

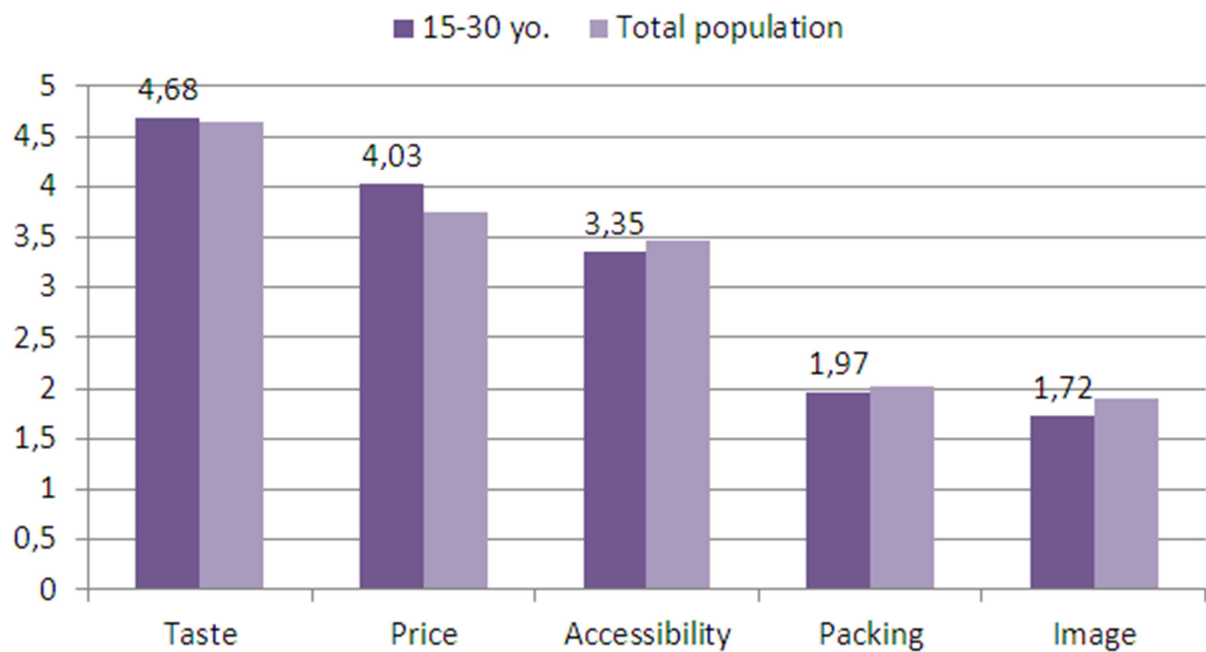
Brand Relationships

Brand Resonance. The final step in the brand building pyramid is brand relationship which focuses upon the ultimate relationship and level of identification that the customer has with the brand. The concept of resonance refers to the nature of the relationship that customers have with the brand and the extent to which they feel that they are “in synch” with the brand. It is characterized in terms of intensity or the depth of the psychological bond that customers have with the brand as well as the level of activity engendered by this loyalty. Brand resonance can be broken down into four categories; behavioral loyalty, attitudinal attachment, sense of community and active engagement.

Appendix 7: Choice Criteria within the CSD Category

The criteria are rated according to an importance scale ranging from one to five, with five being most important, one being least important. In below model, the 5 choice criteria are rated for the Pepsi Max target group (15-30 yo.) compared to the total population.

Model 1: Choice Criteria within the CSD Category

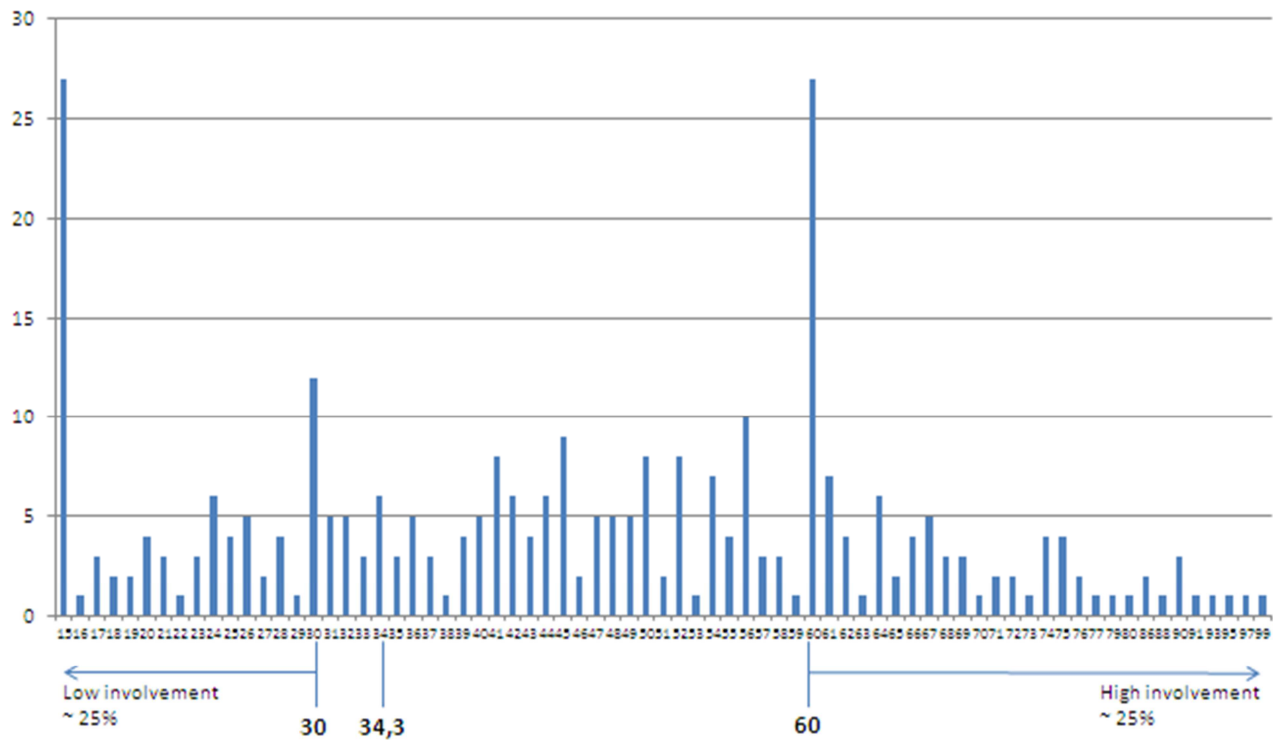


Source: Mindshare Tracking report 2011

In the above figure, ratings in the total population are included in order to look at a benchmark when evaluating the choice criteria. It can be concluded that the importance of the choice criteria within the CSD category are more or less homogeneous, since the relative importance of choice criteria are almost the same.

Appendix 8: Overall Distribution of PII Scores

Model 2: Overall Distribution of PII Scores for CSD Category

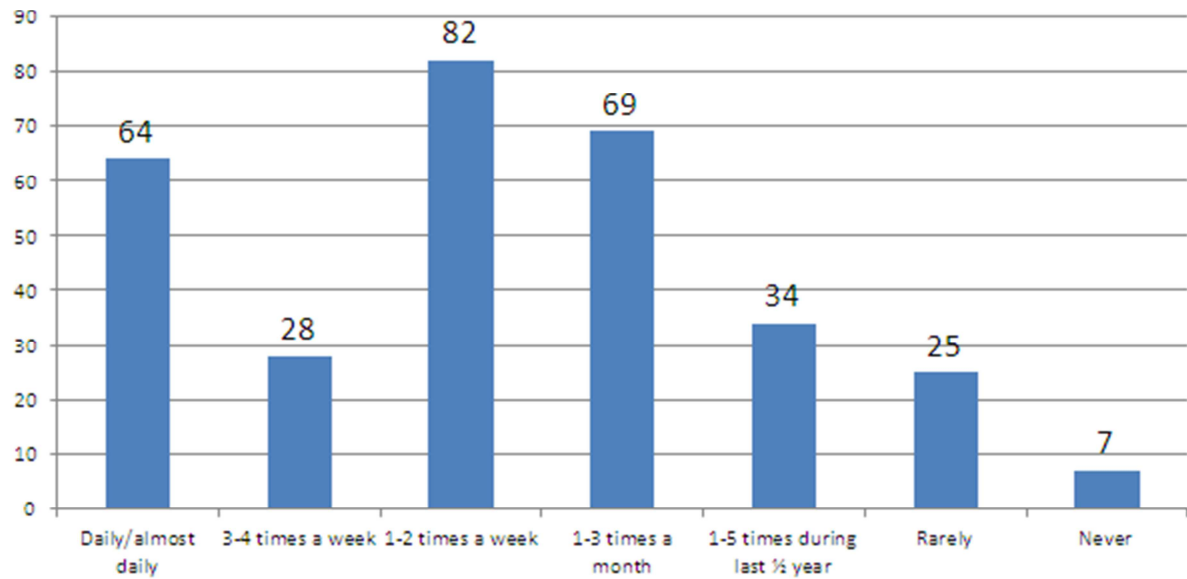


Source: Royal Unibrew tracking 2011

Appendix 9: Usage of CSD for Involvement

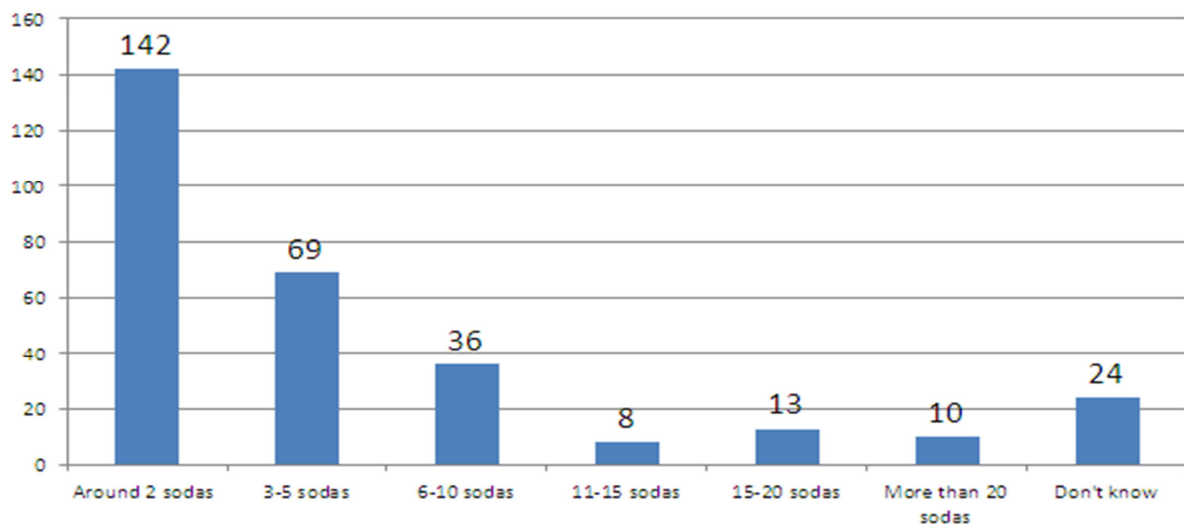
The two below models show how often the Pepsi Max target group drinks soda and how many times a week they drink soda.

Model 3: How often do you drink soda?



Source: Royal Unibrew tracking 2011

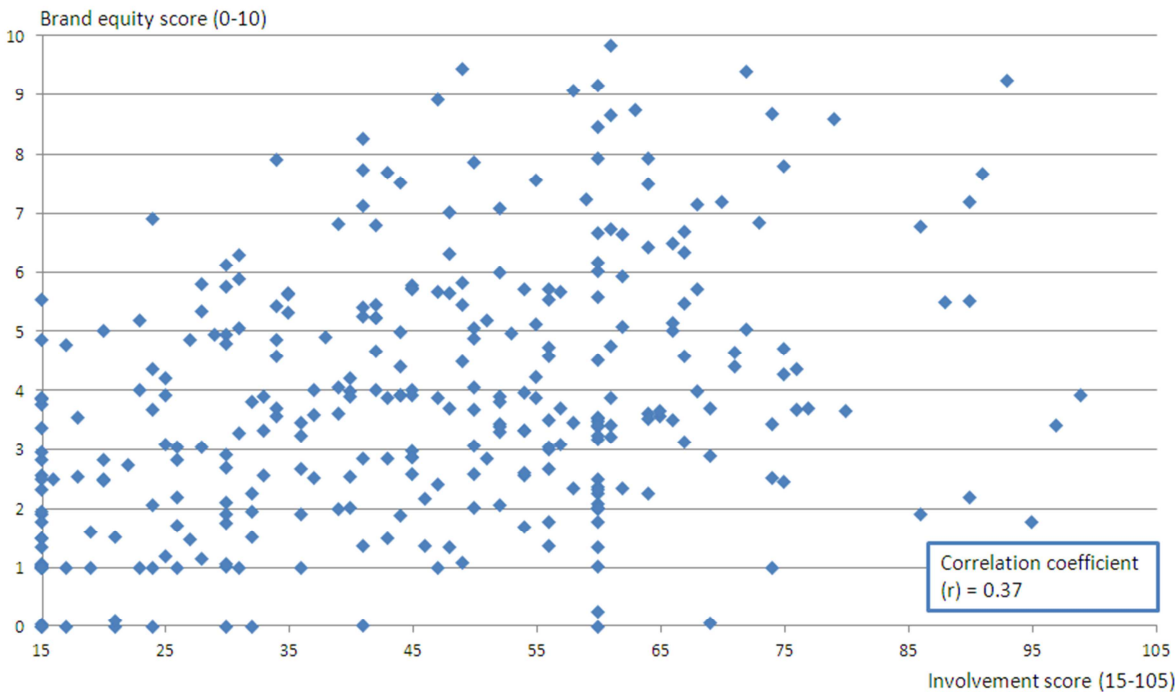
Model 4: How many sodas do you drink a week on average (converted to 25 cl.)?



Source: Royal Unibrew tracking 2011

Appendix 10: Correlation between Brand Equity and Involvement Score

Model 7: Correlation between Brand Equity Score and Involvement Score



Source: RU tracking 2011

Appendix 11: Description of Facebook and Pictures of Functions

Facebook structure

During the last couple of years, Facebook has attracted increasing attention in the marketing world which has resulted in many discussions and debates about how we should relate to social media and Facebook in particular. Facebook is however still unknown territory for most marketing managers, why many are still reserved when it comes using the medium.

“Facebook is a social utility that connects people with friends and others who work, study and live around them. People use Facebook to keep up with friends, upload an unlimited number of photos, share links and videos, and learn more about the people they meet.” (Facebook). Connecting is one of the key words and is the essence of what the platform offers for individuals as well as professionals. In order to evaluate the various Facebook functions and discuss their instrumentality, a brief overview and introduction of the platform is necessary.

Content and functions on Facebook

When a user registers on Facebook, they need to set up a *profile*. A profile consists of personal data e.g. age, sex, education, interests, choice of applications etc. which the users can choose to use for building their profile. The users can also include pictures and other personal data, and it is these functions that give the profile a personal mark.

Fundamentally Facebook consist of a number of profiles which is entered into different types of *relations* and *networks*. When a profile is created, the users requests friendship with each other, and if the request is accepted, the relation is established. When the users have been on Facebook for a while, the number of relations will typically increase and the network becomes bigger. Often the users are inspired to enter into relations, when they see who their friends connect with.

In order for users to stay updated on what happens in their network, Facebook has established a *news feed*, which is a continuing flow of news from their many relations. This news feed is divided into *top news* and *recent news*, where recent news is the latest news, and top news is where Facebook, through a social algorithm, has calculated which news has the biggest relevance for the user, primarily dominated by pictures, “likes” and comments on status updates.

Facebook is a user-generated-content (UGC) driven website, since the individual users primarily produces the content. The *status updates* plays an important part in the information sharing, since these are showed in the news feed and invites others in the network to like, comment or share them. Similar to status updates, a user can also write *wall posts* on other friend's profiles. This way the UGC is continuously being shared in the network. Besides text, the users can also share *pictures*, *videos* and *links* with their network on their own as well as on friend's profiles. The users on Facebook often use input from each other and from other media channels when they produce content¹⁶. Common to all of the above functions is that they are transparent within the network however there do exist functions which are not transparent, e.g. the *inbox* and the *chat function*, these will however not be covered in this thesis.

Interactivity on Facebook is a fundamental principle and contains the idea that the users can share their input, and interact with other profiles as well as with companies. The concept of interactivity can be argued to correspond to the concept of involvement, since the users are more or less involved with other profiles or companies depending on how much they interact with them.

Companies on Facebook

Facebook is originally established for the individual as an opportunity to stay socially updated. However, Facebook continues to develop¹⁷ why it for some time has been possible for companies to be present on the platform. Companies have the opportunity to use many different kind of functions, each of which is illustrated below.

¹⁶ Many news sites have included the opportunity to "*recommend*" or "*share*" their articles on Facebook.

¹⁷ During the time of working with this thesis, new functions such as *places* have been developed, however since this function are not relevant for this thesis or not developed fully yet, they are not included.

#1 Facebook Banner

The screenshot shows the Facebook profile of Rasmus Fisker. The profile header includes his name, location (Copenhagen, Denmark), and education (Bond University). Below the header is a row of photos and a share button. The main content area shows recent activity, including posts from friends and a sponsored story. The sponsored story, titled "Hør Nik&Jay playliste!", is circled in blue. It features a thumbnail image of a car and text promoting a playlist. The right sidebar shows mutual friends and sponsored stories.

facebook Search Home Profile Account

Rasmus Fisker
 Social Media Wizard at Mindshare Denmark · Studied at Bond University · Lives in Copenhagen, Denmark · From Herring, Denmark · Born on 25 March 1983

Send message · Poke

You and Rasmus See friendship

4 mutual friends
 Tivoli - DR2

Sponsored stories

Rune Hven-Jensen likes ottoline sko.
 ottoline sko Like

Rune Hven-Jensen likes Friends Børnetøj.
 Friends Børnetøj Like

Sponsored Create an advert

Hør Nik&Jay playliste!
 adform.net

Er du vild med Nik&Jays musik? Klik ind på Pepsi MAX og hør hvad drengene selv lytter til.

RECENT ACTIVITY

Rasmus answered Hvem finder rummet i modstanderens felt og sikr til på lørdag? with Pedro Rodriguez. · Follow · Ask friends

Rasmus is following Hvem finder rummet i modstanderens felt og sikr til på lørdag? · Follow · Ask friends

Rasmus is following Hvem tror I vinder Champions League 2011 på lørdag? · Follow · Ask friends

RECENT ACTIVITY

Rasmus likes Social Memories and Bob Dylan.

Rasmus and Signe Agersnap are now friends. · Comment · Add Signe as a friend

Rasmus likes GroupM Worldwide and Start! Festival.

"Emil!!!! Tillykke! Alt det..." on Emil Johnsen's Wall. · See friendship

Rasmus Fisker
 Åh... Jeg vil også ha' en totem og spille med ham her...

Bjarke spiller WoW
 www.vivich.dk

Wall
 Info
 Photos (295)
 Questions
 Friends

#2 Sponsored Story

The screenshot shows the Facebook profile of Balter Egon. The profile header includes his name, location (Copenhagen, Denmark), and relationship status (In an open relationship). Below the header is a row of photos and a share button. The main content area shows recent activity, including a link recommendation and a sponsored story. The sponsored story, titled "Balter Egon likes Pepsi Max Danmark.", is circled in blue. It features a thumbnail image of a Pepsi Max can and text promoting the brand. The right sidebar shows mutual friends and sponsored stories.

facebook Search Home Profile Find friends Account

Balter Egon
 Lives in Copenhagen, Denmark · In an open relationship · From Copenhagen, Denmark · Born on 04 December 1980

Message · Poke · Suggest friends

You and Balter See friendship

4 mutual friends

Sponsored Create an advert

Balter Egon likes Pepsi Max Danmark.
 VIND MUSIC AWARDS Like

Eberts Villaby - Fantastisk...
 ÅBENT HUS på søndag d. 29. maj kl. 12:00. Send en kaber forbi og få 5.000 kr. i findelen. Der sker jo ikke noget ved at kigge forbi :)

Like · 57 people like this.

Auto Furone Rihudleinsinn

RECENT ACTIVITY

Balter Egon recommends a link.

AaB A/S - AaB støtter op om Danmarks længste dribletur
 fodbold.aabsport.dk

Når Faxe Kondi-kampagnen "Vær med" for andet år i træk sender en fodbold på Danmarks længste dribletur fra Skagen til København, er AaB naturligvis med på holdet.

12 May at 15:27 · Like · Comment · Share

Balter likes Tempt Cider.

Balter Egon

Wall
 Info
 Photos
 Friends

Friends (6)

Lone Jensen

Gry Havdrup Glud
 MindShare

Ellen Dorte Havdrup Glud

Anders Christiansen

#3 Facebook Applications

facebook Search Home Profile Account

Pepsi Max Danmark Max the Music Food/Beverages

VIND EN UNIK MUSIKOPLLEVELSE MED NIK & JAY OG MORTEN BREUM max the music go backstage

Vind en unik musikoplevelse med Nik & Jay og Morten Breum. Vi giver dig en hel unik mulighed for at feste sammen med drengene den 18. august. Kik her og vind eksklusive adgangsbilletter til en unik musikoplevelse fyldt med max fede beats og masser af stjernestøv. Passt... har du husket at tjekke Nik&Jays nyeste playliste ud herinde?

MORTEN BREUMS MIXTAPES SENESTE NYHEDER

You and Pepsi Max Danmark

44 friends like this.

Event invitations View all

Fødselsdagsfest i indre KBH derf 18 June

Kandidatfest, kollegie fraflytning... 09 July

Sponsored stories

Rune Hven-Jensen likes Friends Bornetøj.

Friends Bornetøj Like

Rune Hven-Jensen likes ottoline sko.

ottoline sko Like

Sponsored Create an advert

Forebyg Hudens Mod Aldring apus-rynkecreme.dk

Vi giver A+ anti-age-rynkecreme gratis ud til de første 1000 kunder. Bliv abonnent i dag!

#4 Share

VIND EN UNIK MUSIKOPLLEVELSE

Pepsi Max Danmark er blevet 'peppet op'.. hva' sir' I til vores nye etikette på flaskerne ;)

Wall Photos

My face on a Pepsi Max Bottle.. This i Will never get used to..;) by: Morten Breum

Yesterday at 11:23 · Like · Comment · **Share**

Michala Baden and 44 others like this.

View all 13 comments

Natasha Berge de er guddommelige amen 15 hours ago · Like · 2 people

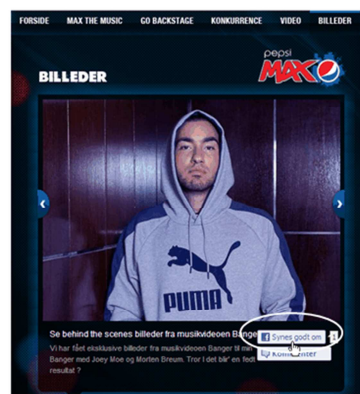
Trine Dam Jensen Jamen hvor ville jeg kunne give toserene den fedeste og bedste fest:-) det kunne være min 30års fødselsdags fest:-) 15 hours ago via Facebook Mobile · Like

Write a comment...

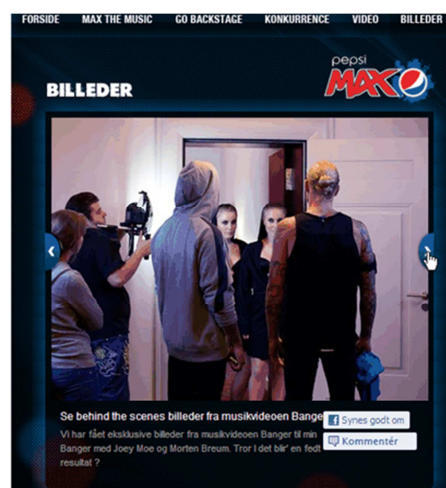
#5 Comment



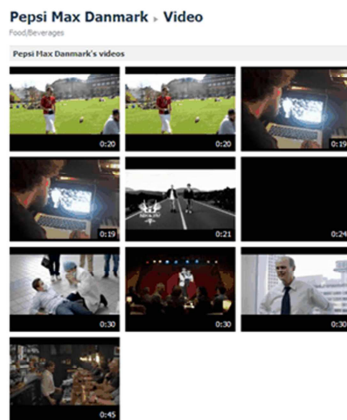
#6 Like



#7 Photos



#8 Videos



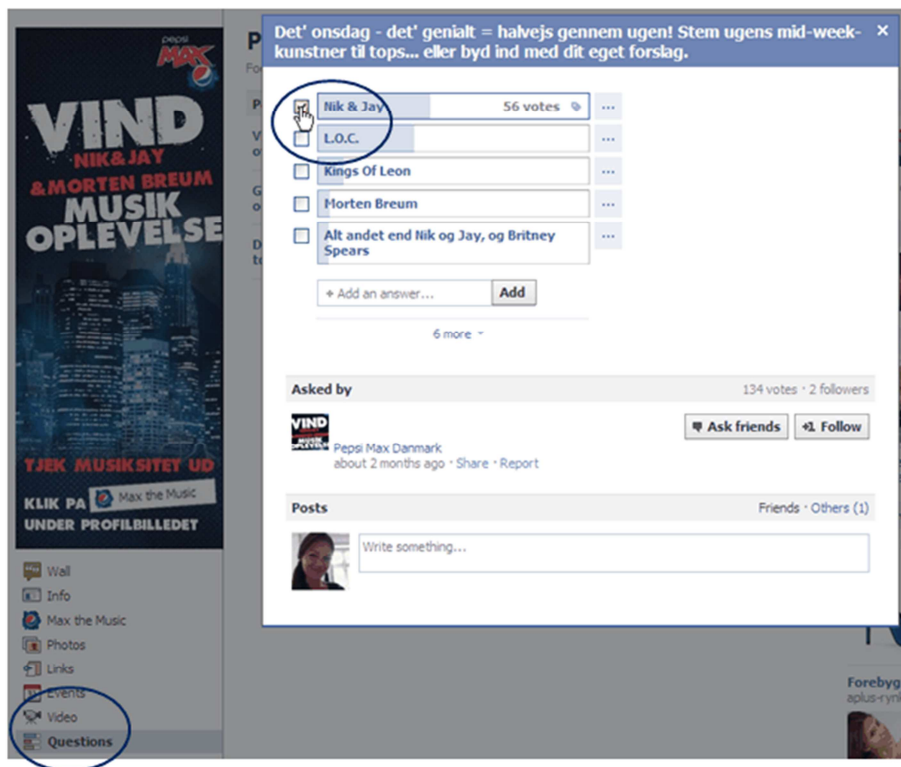
#9 Competition



#10 Wall post



#11 Questions

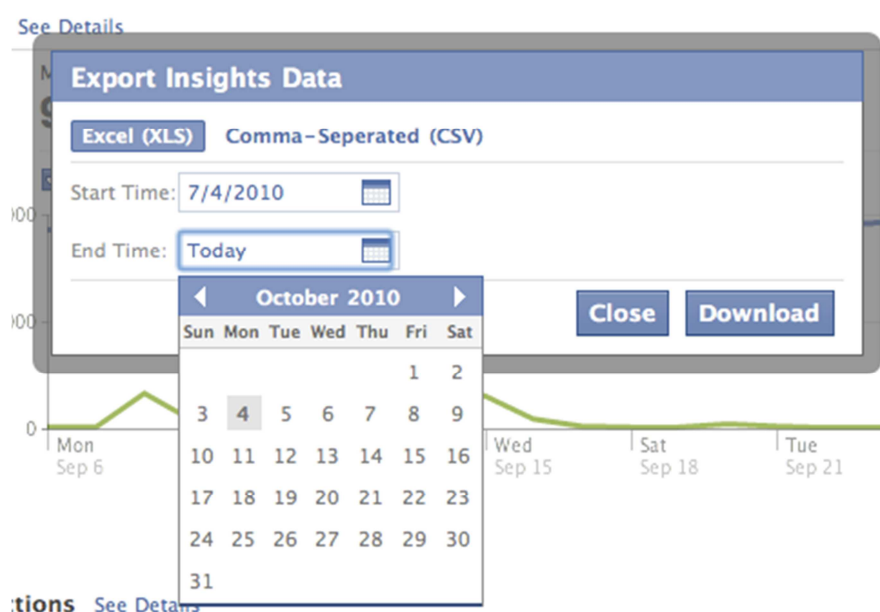


Appendix 12: Facebook Page Insights Reports

Facebook’s new Page Insights analytics tool now allows Page admins to set a date range for exported reports. This will make it easier for long-standing Pages to focus on data from a specific time period instead the entire history of their Page.

Reports from the new Insights tool now show descriptions of the data columns and include data on news feed impressions for post, but no longer include data on views of different types of media. Admins can still view that data in reports from the old Insights tools.

Admins can access the new Insights tool via the Pages You Admin screen. This can navigated to by clicking Ads & Pages on the homepage’s left sidebar, then Pages on the Ads Manager left sidebar. From there, admins can export data about traffic, Likes, and interactions using the “Export” button in the top right corner. The “Export Insights Data” pop-up now shows date fields for start and end time of the report.



Recently, Facebook changed what’s included in Insights reports. Columns now include descriptions in the row below the column titles. For instance, “Monthly Active Users” is explained as “Monthly Users who have engaged with your Page, viewed your Page, or consumed content generated by your Page (Unique Users)”.

The columns included in Insights reports have also changed. Most noticeably, admins can now see Daily Stream Impressions, or how many times users see posts by the Page in their feeds.

This is important for tracking [news feed optimization](#) and [edgerank](#) — how visible a Page’s stories are in the news feed.

Daily Stream Impressions	
Daily Impressions of stream stories generated by your Page (Total Count)	
	7138
	15080
	2287
	2587
	3833

Admins won’t see data on photo views, audio plays, or video plays in reports exported by the new Insights tool. Page Admins focused on driving and measuring media impressions will be hampered by this change. This data can still be found in reports from the old Insights tool, which by accessed by clicking “View Old Page Insights” on the Insights page and then clicking “Export Data”.

The data types currently included in new Facebook Page Insights reports are:

- Date
- Daily Active Users
- Monthly Active Users
- Daily New Likes
- Daily Unlikes
- Lifetime Total Likes
- Daily Logged-in Page Views (Total Count)
- Daily Logged-in Page Views (Unique Users)
- Daily Stream Impressions
- Daily Likes and Comments
- Daily Likes
- Daily Comments
- Daily Discussion Posts
- Daily Wall Posts
- Daily Videos

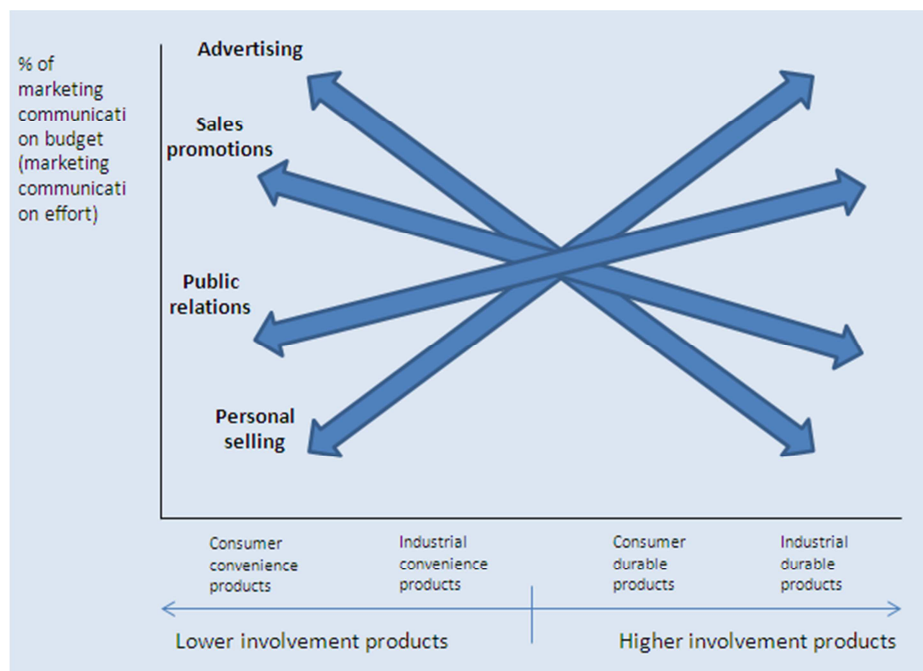
Appendix 13: Product Categories and the Marketing Communications Mix

The nature of the product category, whether this includes high or low involvement, and the market the product serves has a profound impact on the use of the marketing communications mix. The marketing communication budget should therefore be allocated differently if the communication involves lower involvement products or higher involvement products.

If the product category consists of consumer convenience products, the advertising is most likely to play a primary role followed by sales promotions whereas if the product category consists of industrial durable products, the more emphasis is typically placed on personal selling as primary activity followed by PR.

This relationship between higher and lower involvement products and the effect the category has on choice of marketing communications mix is illustrated in the below model.

Model 5: Product Categories and the Marketing Communications Mix



Source: adapted from Pickton & Broderick, 2005p.439)

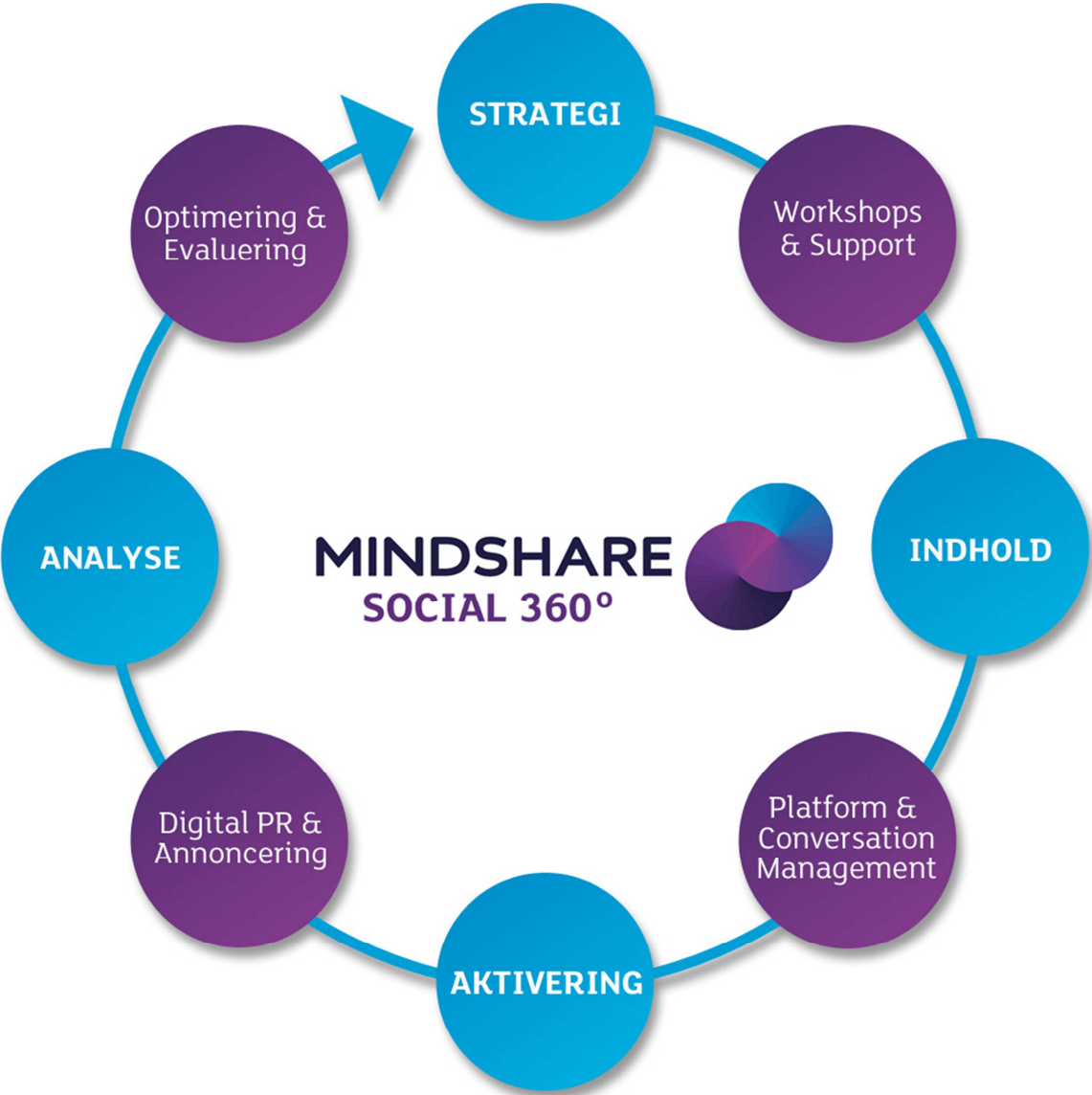
Appendix 14: Correlation between Functions

Sample size		Fan		Non-fan		Advertising		Sponsorship		Corporate Communication			Sales promotion		Public relation							
						Sponsored story		Applikation		Videos			Competitions		Share		Comment		Like		Wall post	
						52	49	62	60	58	38	53	31	37	54	24						
		Banner								Photos												
		8,8	8,9	8,7		8,7	8,8	8,7	8,4	8,9		8,7	8,8	8,7	8,8							
10,0%	AWARENESS	6,6	6,4	6,2		6,2	6,0	5,9	5,6	6,4		6,5	6,0	5,8	5,9							
30,0%	TOM	9,4	9,4	8,9		8,9	9,0	9,0	8,4	9,1		8,4	8,4	8,7	8,3							
60,0%	UNAIDED	8,9	9,0	9,0		9,0	9,1	9,0	8,8	9,2		9,2	9,4	9,1	9,5							
	FAMILIARITY																					
	EVALUATIONS	6,3	6,6	6,3	3,0	6,3	6,4	6,5	6,2	6,5		6,8	7,1	6,6	7,7							
25,0%	PRICE	7,1	7,4	7,1		7,1	7,3	7,2	6,8	7,0		7,7	7,6	7,2	7,9							
12,5%	QUALITY1	5,0	5,7	5,2		5,2	5,2	5,2	5,3	5,7		5,5	6,5	5,7	6,7							
12,5%	QUALITY2	8,3	8,2	8,1		8,1	8,2	8,1	8,2	8,5		8,7	9,5	8,2	10,0							
10,0%	APPEAL	6,0	6,1	6,1		6,1	6,3	6,5	6,2	5,9		7,1	7,2	6,4	7,1							
5,0%	NEEDS	7,9	8,4	7,6		7,6	7,8	7,9	7,4	7,9		7,4	8,4	7,8	9,6							
1,0%	IDENTITY_1	6,9	6,6	6,6		6,6	6,3	6,4	6,3	6,5		6,6	6,5	6,1	6,0							
1,0%	IDENTITY_2	7,8	7,9	7,3		7,3	7,4	7,6	7,0	7,4		7,4	7,5	7,4	7,8							
1,0%	IDENTITY_3	5,2	5,3	4,8		4,8	4,8	4,7	5,1	4,8		4,1	4,8	4,7	4,9							
1,0%	IDENTITY_4	4,5	4,7	4,5		4,5	4,3	4,4	5,3	4,7		4,9	5,1	4,9	5,3							
1,0%	IDENTITY_5	7,3	6,9	6,9		6,9	6,6	6,5	6,8	6,7		7,2	6,8	6,9	6,9							
1,0%	IDENTITY_6	4,2	4,5	3,9		3,9	3,8	4,0	4,2	4,2		4,5	4,7	4,2	5,3							
1,0%	IDENTITY_7	6,2	6,5	5,9		5,9	6,0	5,9	7,2	6,1		6,8	6,6	5,9	6,8							
1,0%	IDENTITY_8	7,3	7,4	6,9		6,9	7,1	7,2	6,4	7,0		7,0	7,3	7,1	7,5							
1,0%	IDENTITY_9	4,6	4,4	4,3		4,3	4,0	4,0	4,3	4,2		4,7	4,1	3,9	4,1							
1,0%	IDENTITY_10	5,5	5,9	5,3		5,3	5,2	5,2	5,4	5,6		5,7	5,4	5,6	6,2							
15,0%	DIFFERENTIATION	5,0	5,3	5,0		5,0	4,8	5,3	5,3	5,5		5,5	6,2	5,6	7,5							
10,0%	OPINION	5,2	5,7	5,8		5,8	6,0	6,0	5,0	6,2		5,8	6,0	6,1	7,1							
	RELATIONSHIP	6,9	7,3	6,8		6,8	7,0	7,1	6,8	7,2		7,3	7,7	7,1	8,2							
16,7%	BUYING1	9,2	9,4	9,2		9,2	9,2	9,3	8,7	8,9		9,4	9,5	9,1	9,6							
16,7%	BUYING2	5,6	6,1	5,7		5,7	5,8	5,9	5,5	6,6		5,8	7,0	6,1	7,9							
16,7%	BUYING3	6,5	6,9	6,5		6,5	6,8	7,1	6,6	7,0		6,8	7,6	6,9	8,3							
16,7%	POPULARITY1	7,9	8,2	7,7		7,7	7,7	7,6	6,8	7,9		8,1	8,4	8,0	8,8							
16,7%	POPULARITY2	7,7	8,0	7,7		7,7	8,0	7,9	8,2	8,3		8,4	8,4	8,2	8,8							
16,7%	POPULARITY3	4,4	4,9	4,2		4,2	4,2	4,5	4,7	4,5		5,5	5,4	4,6	5,8							

Advertising:	Correlation between Banner and Sponsored Story:	0.985
Sponsorship:	Application:	1.000
Corporate Communication:	Correlation between Photo and Videos:	0.996
	Correlation between Photos and Questions:	0.954
	Correlation between Videos and Questions:	0.948
Sales Promotions:	Competition:	1.000
Public relations:	Correlation between Share and Comment:	0.950
	Correlation between Share and Like:	0.963
	Correlation between Share and Wall Post:	0.871
	Correlation between Comment and Like:	0.969
	Correlation between Comment and Wall Post:	0.963
	Correlation between Like and Wall post:	0.918

Appendix 15: Mindshare Social 360 Degree

Model 6: Mindshare Social 360



Source: Mindshare