ECONOMIC AND LEGAL ASPECTS OF INTRODUCING NOVEL ICT INSTRUMENTS: INTEGRATING SOUND INTO SOCIAL MEDIA MARKETING - FROM AUDIO BRANDING TO SOUNDSCAPING

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Abstract: *The pervasive expansion and implementation of ICT based marketing instruments imposes a new economic investigation of business models and regulatory solutions. Moreover, the current status of Social Media research indicates that the use of social networking and collaboration technologies is deeply changing the way people communicate, consume and cooperate with each other. Against the backdrop of widespread availability of digital audio-video content and the growing number of "smart" mobile devices, business professionals have developed new strategies for achieving customer involvement and retention through digitally linking audio stimuli to the powerful networking environment of Social Media.*

Key words: *Sensory Marketing; Acoustic Branding; Sound Logo; Social Media Marketing; Soundscaping.*

1. Introduction

According to extant research, in many cases, Social Media commercial communication practices frequently bear a resemblance to the classical unidirectional paradigm, i.e. a large part of businesses are using social networks only as a space and tool for basic Social Media activities like the posting of news or product related information. One explanation for the lack of comprehensive ICT marketing tools implementation and the deficit of wide-ranging Social Media strategies can be seen in the complexity of the new marketing world. Therefore, the goal of the paper is to offer a holistic perspective on the main economic, legal and technological aspects of

sensory marketing by conceptualizing the use of novel ICT marketing tools like acoustic branding or soundscaping in a Social Media setting.

2. The Economic Impact of Information and Communications Technology and Social Networks in the Marketing Process

As the internet-based Social Media spread rapidly in the past few years and the number of users of online services like Facebook, Twitter and YouTube has grown exponentially in many population segments, the consumption pattern of Internet users has shifted from that of passive readings to active creation of

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contents, illustrating the user-centric, interactive, and collaborative nature of Web 2.0. [2]

Furthermore, since 2012, more than a billion of people have accounts on Facebook, these figures suggesting that this new medium offers an effective platform for advertising and marketing activities - an opportunity for marketers to increase market share that is difficult to rival or even a threat that may destroy their products or services. [3]

As the World Wide Web continues to evolve, the overall marketing effort for any company has to be adjusted to fit in the new world of rapid changing information technology and Social Media, in order to manage the connections the company has with satisfied or dissatisfied customers, who will both participate in the purchase decision making process of prospective clients. [14]

2.1. Social Media and Marketing

In the last two decades, the digitization and the rise of the Internet - accompanied by the proliferation of mobile devices - have distorted the boundaries between types of media and marked the emergence of a "new" kind of media, distinctive from traditional mass media. [4]

In this context, The Chartered Institute of Public Relations (CIPR - a professional body for public relations practitioners in the United Kingdom) broadly defines *Social Media* as "the term commonly given to websites, online tools, and other interactive communication technologies which allow users to interact with each other in some way, either by sharing information, opinions, knowledge, or interests".

On the other hand, Social Media can also be defined in narrow terms and regarded as synonymous with social networks like Facebook and MySpace. [13]

Fundamentally, Social Media may be adequately described as "technology-based social connectivity with interactive, participatory and collaborative characteristics", encompassing: multimedia sharing sites (e.g., YouTube, Pinterest and Flickr), social networks (e.g., Facebook, Google+ and LinkedIn), bookmarking sites (e.g., Delicious and Digg), virtual worlds (e.g., Second Life), wikis (e.g., Wikipedia), and rating sites (e.g., Yelp). [3]

Though still struggling to understand how Social Media might be used to its full potential, most companies, large and small, are searching new ways to interact with customers, in search of a more long term relationship rather than a once-off sale relationship or one-way communication. [13]

Therefore, in order to generate media "buzz" and set off viral campaigns, companies develop new innovative ways of employing tools like posting and tweeting, RSS, tagging, pinning or sharing, and use novel segmentation strategies which rely on location-based services to track customers (e.g., Foursquare, Facebook Places) and on social gaming (e.g., Words with Friends, Farmville) or social couponing (e.g., Groupon and LivingSocial). [3]

Although Social Media is a generic term describing a heterogeneous assortment of applications and platforms, there are certain characteristics that all Social Media instruments have in common: participation, openness, conversation, community, and connectedness. [2]

These specific characteristics of Social Media derive from and are congruent with the fundamental traits of the "new" media:

First, because the Internet blurs the distinction between individual and mass audiences, the "new" media replace the one-to-many model of traditional mass media with the possibility of a many-to-many network communication.

Second, the traditional mass media rule of known senders and anonymous receivers becomes hard to apply on the Internet; therefore, the consumer or producer of "new" media content may or may not

remain anonymous. Even when registration is not required, or consumers use fictitious identities - users still leave a digital footprint (e.g. the IP addresses), allowing marketers to target customers more accurately and changing the relationship between users and producers.

Third, "new" media is rather interactive, giving users the opportunity for more control and more choice, which can lead to increased content diversity and a shift of power from media corporations to users, which can provide instant feedback or communicate with each other regarding their experiences of consuming goods and services. [4]

The media research firm Forrester Research reported that 75% of online consumers are currently Social Media users and emphasized that consumers' desire to interact with marketers is high, considering that a company is required to not only have a presence in Social Media but also interact with customers. [2]

Due to the proliferation of ICT business and Social Media tools that can be used by companies and to the dramatic changes in the business environment, the Social Media Think:Lab team of researchers has introduced the *pinball metaphor* - an intuitive model of market dynamics.

The pinball model describes modern marketing as a chaotic but controllable game at a pinball machine, in which the *pin-balls* are represented by company messages that come across *bumpers* or *slingshots* in the form of many very active consumers, which either dramatically accelerate, transform, or even thwart the original company-message and, by doing so, actively influence the course of the marketing game. [18]

Thus, the power of Social Media entails that companies have to actively interact and engage with their audience; nevertheless, they should also realize the new role of their customers as the main drivers of conversations and incorporate accordingly Social Media

marketing strategies and tools into their overall business strategy. [13]

2.2. Economic Considerations Regarding Innovativeness and Social Media Adoption for Business Processes

The most important driver of "new" media has been economic, as media companies try to develop a business model that generates profits. [4]

One way of obtaining higher profits is through *higher efficiency*. The reduction of asymmetrical information between buyers and sellers, through an increase of speed and easiness in information transmission, the elimination of intermediaries and the economies of scale generated by the high number of Web 2.0 users [11] all decrease transaction costs and rise efficiency in the commercialization process, thus having a direct and positive effect on value creation.

Technological innovativeness is another solution that allows companies to supply considerably more benefit to customers, potentially overcoming lock-in effects from switching costs. [15]

Web 2.0 virtual markets innovate both in the way of doing business and in the transactional structure as well. [11] In this context, *inertia* (a firm's inability to change or innovate) may inhibit early entrant (incumbent) innovation but foster innovation by later entrants. At the same time, a firm may be able to leverage demand-side effects by developing new products that strengthen switching costs or augment the benefits most appreciated by its installed base. [15]

The *inertia factors* within a firm's customer base (e.g., customer preference stability, switching costs, and network externalities) have differential effects on innovativeness for early and late entrants.

Overall, demand-side factors affect innovativeness positively, giving rise to early mover advantage, with network externalities being the most substantial driver of innovativeness for *early entrants*

[15]

Such *network effects* are twofold:

- *The installed base effect*: the larger a network, the more attractive it becomes for outsiders to join it.

- *The peer effect:* growing the network is beneficial for network members, who can thus be expected to engage in exerting peer influence on not-yet-adopters. [6]

It is also important for *late entrants* to comprehend the innovativeness effects of demand-side factors on early entrant competitors in order to lessen any advantage.

This could be achieved through radical, incompatible innovation or by attracting emerging customer segments with needs that are different from the existing market (but which may become mainstream), thus disrupting the network externality advantages that increase early entrant innovativeness. [15]

These insights have several important *managerial implications*:

First, firms should try to leverage the peer effect to expand the size of their network, because peer influence may be a far more significant driver of network growth than the (global) installed base.

Second, a network provider may also apply the peer influence system to encourage new layers of networking among its users.

Third, being aware of the peer effect helps network providers to hinder users from leaving the network by purposely targeting frequent contacts of a person who approaches the end of her contract with marketing measures to keep them loyal. [6]

3. Audio Branding and Soundscaping as Components of Sensory Marketing

Music and sound are acknowledged for their ability to stir emotions. The challenge marketers face is in selecting the emotions and feelings the company wants to convey.

Because humans are constantly communicating and expressing through sound, the sound sense is always active and is easily reached to. Consequently, researchers like Hultén, Broweus & Van Dijk (2009) consider that sound has been used in marketing for a long time for communicating messages. Businesses are constantly generating experiences through sound in which they use the framework of sensory marketing. [8]

3.1. What is Sensory Marketing?

According to Hultén (2011), ***the sensory marketing model*** "offers a firm the opportunity to differentiate and express a brand through sensorial strategies, based on cognitive, emotional or value-based elements in relation to the human mind and senses". [7]

This view is reflected also in the Wikipedia definition (from the article "Sensory branding", 15 November 2013), which states: "Sensory branding is a type of marketing that appeals to all the senses in relation to the brand. It uses the senses to relate to customers on an emotional level. Brands can forge emotional associations in the customers' minds by appealing to their senses. A multi-sensory brand experience generates certain beliefs, feelings, thoughts and opinions to create a brand image in the consumer's mind".

Although the mainstream brand communication continues to focus on the visual appearance of brand experience, there is general agreement that sound and smell are often much more efficient in stirring human senses and emotions, and that multi-sensory experiences are able to create stronger engagement and more powerful memories. [5]

Other researchers (Krishna, 2012) also consider that "from a managerial perspective, sensory marketing can be used to create subconscious triggers that characterize consumer perceptions of abstract notions of the product (e.g., its sophistication or quality)" and define it as

"marketing that engages the consumers' senses and affects their perception, judgment and behaviour." [10]

In Hultén's (2011) sensory marketing model, mental flows, processes and physiological reactions lay the ground for a multisensory brand-experience. [7]

The proposed *sensory marketing model* is based on a branding perspective, relating to the *service-dominant logic* (elaborated by Vargo and Lusch,), and offering cocreation and personalized brand-experiences.

The *service-dominant logic* assumes that *customer value* and *customer value creating processes* are built upon the supplier's ability to learn and understand how to support the co-creation activities of the customer, which is active instead of passive.

In this respect, a service-dominant logic seems to be more integrative than a goods-dominant logic and, as a paradigm, offers an appropriate conceptual framework by integrating a branding perspective, which highlights the significance of the human mind and the senses. [8]

3.2. Constructing Brand Identity through Audible Brand Elements

As most people attach a certain meaning to sound, and music is often used as a way to define a person's identity and personality [8], sound has always been of great importance in society and strategies for music and corporate sounds have been used for many years by companies in an effort to sharpen the brand identity and orchestrate memorable customer events. [16]

If, in the beginning, marketers and scholars only tried to find out which kind of music to use in TV and radio commercials and how musicological terms (such as tempo, pitch, volume etc.) influenced consumers (shaping the attitude toward the ad, or supporting recall of advertising message), nowadays, *audio branding* represents the strategic and consistent use of sound and/or music across all brand touchpoints in a way that creates an auditory identity for that brand.

Audio branding (also known as *sound branding, music branding, sonic branding, acoustic branding* or *sonic mnemonics*) is a marketing domain that comprises brand equity building, brand identity and brand positioning through corporate sound strategies [16] developed within the sensory marketing framework. Figure (1) explains the process as shown.
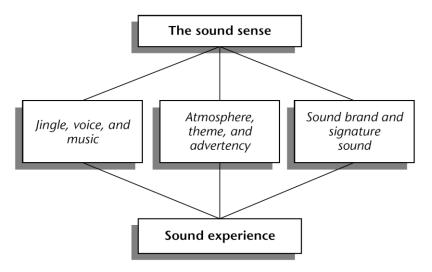

Fig. 1. *Sense expressions and the sound experience [8]*

If properly designed and developed, *brands* can transform the way people perceive the world and change perceptions, preferences, and priorities, being able to capture the identity of a company (or a strategic business unit) and its offerings. In order to achieve this, a clear ***brand identity*** - consisting of a short sequence of words and/or a brand claim with a strong linkage to the business strategy - is crucial. The brand identity is then specified by means of corresponding *brand elements* (represented by simple conceptual units that generally make use of one or two sensory channels), which are combined to actively communicated brand signals, leading to preference and loyalty-inducing

experiences with the brand. [9]

Audible brand elements *(or sound marks)* are still reduced, in most cases, to *jingles*. These can be described as extended musical slogans, which try to occupy a permanent place in the minds of listening customers.

Nowadays, however, *audio branding* consists of many more elements, ranging from very short sound icons [12] (e.g., a "fizzing" sound when opening a bottle), to complete pieces of music (such as brand songs or themes), that can be categorized, among other methods, with respect to the exclusive or cooperative right of use a company holds regarding the audible element - as Figure (2) indicates. [9]

Fig. 2. *Typology of Audible Brand Elements*

Different kinds of audible sensory expressions (jingles, voices, music, atmosphere theme and advertency sound, brand and signature sound) can all facilitate a sound experience and can be applied consistently throughout a firm's

sensory marketing, to achieve differentiation. [8]

Therefore, audio marketers additionally engage the senses to influence perception and consumer behaviour through more complex sound constructs like ***Soundscapes*** (e.g., in

addition to background music that sets the mood, for an underwater-themed event, bubbles might be heard from time to time, or, for an outer-space adventure, the sounds of rockets whizzing past).

This sound strategy is based on the fact that customers react with feelings to music and voices. Hence, a company with a holistic view can design and control sound to create appropriate soundscapes in the service environment through employing digital technology, whereby all sounds, from the switchboard to the voices of the employees, are considered. The primary goal of these "sound layers" is to induce an "atmospheric stimulant" for a sales-

promotional mood by mixing a number of brand elements, thus generating complex multi-sensory brand signals which convey the brand identity to all stakeholders, especially to customers. Consequently, soundscapes may play an important role in forming a brand image when integrated into **brand environments** or **brand experience worlds**. These "surroundings" usually consist of brand parks, brand events, and brand stores. Figure (3) shows the connection of brand elements and brand signals and presents a graphic summary of the four brand signals: the product itself, the media, people and surroundings. [9
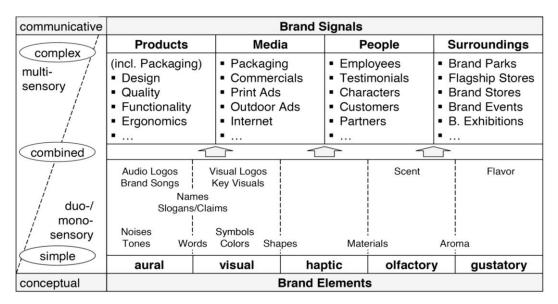

Fig. 3. *From Brand Elements to Brand Signals [9]*

Sometimes, generating a sound experience can require the elimination of sound that is disturbing. This can be achieved with "sound walls" [8], which modulate sound between different spaces.

3.3. Digitally Linking Brand Audio Stimuli to the Networking Environment of Social Media

Whereas media consumption becomes more fragmented, marketers consider synchronizing mass media (especially

television) and mobile content - on the base of *environmental* or *point of sale acoustic cues*. Consequently, the practice of reaching out to viewers through so-called **"second screens"** (i.e., tablets and smartphones) with advertisements or app experiences that complement, in real time, what is being shown on television (or offered on display on the firm's premises) is gaining traction among marketers. [1]

Second-screen apps are developed

mainly to enable viewers to interact (comment, recommend, discuss, play games, access background information, make purchases, create custom TV guides, and engage in Social Media interactions) before, during and after the airing of a program using a smartphone, digital tablet or laptop. Nevertheless, second-screen apps can also enhance the consumption experience by giving customers access to information, resources and services (complementary to the goods and services they interact with) and encouraging them to react and share their thoughts,

discoveries and recommendations with other users. For that to happen, the input of advertisers and software developers must be consistently matched with the effort of broadcaster marketing and programming departments during all phases related to production, distribution and optimization of a second screen endeavour. Therefore, in the future, all stakeholders - and not only showrunners - will be responsible for the creative development of television shows, having each specific responsibilities - as shown in Figure (4). [17]

STAKEHOLDERS	INPUT
Scriptwriters/Showrunners Directors Comedians/Hosts/Debaters/Journalists Other Artistic Contributors	Create concepts that naturally call for interactivity Engage in social conversations before, during and after each broadcast Focus on multiplatform and social exploitation of characters, lines, situations, etc. of a TV show—in collaboration with broadcasters Key second screen contributors, for each step. Editorial extension of a television experience
Technology Partners (application developers) Ad Partners Commercial Partners User-Experience Designers	Implement fluid, innovative and non-intrusive experiences in order to offer the fan added value without alienating occasional viewers or those who do not multitask while watching TV Capitalize on social platform and second screen app features dedicated to a show in a creative manner Create original branding around exclusive features that offer experiences that differ from the shows they are affiliated with
Broadcasters (including creative media departments, programming, marketing and digital platform departments) Social activity measurement services related to the programs	Promote and popularize the interactive features exploited by second screen apps affiliated with the shows Create and lead distinctive, attractive social gatherings that add value to the affiliated TV show Create and promote a back-to-back lineup of TV shows that offers an enriched complementary experience Analyze a show's impact measurement data (social activity, clicks, activation of a second screen app, page views and views on dedicated platforms) in order to adjust the second screen strategy and, if necessary, certain components of the show

Fig. 4. *List of common stakeholders involved in Second Screen initiatives [17]*

The type of environmental interaction will determine the appropriate ***automatic content recognition (ACR)*** system required to bridge interactions between the company and the Social Media user. The most popular ACR technologies currently available on the market are:
- ***Digital watermarking*** e.g.: Intrasonics, Technicolor Magic Ruby, Shazam for TV;
- ***Fingerprinting*** e.g.: Audible Magic SmartID & CopySense, SoundPrint,

Umami, Gracenote Entourage. [17]

4. Legal Considerations Regarding the Use of Novel ICT and Social Media Marketing Instruments

The first important legal aspect is the ***threat to privacy due to the expansion of Behavioural Targeting:*** a 2010 Wall Street Journal extensive investigative report concluded, "The tracking of consumers has grown both far more pervasive and far more

intrusive than is realized by all but a handful of people in the vanguard of the industry". As the build up of information about "new" media users becomes more and more sophisticated and detailed (e.g., in spring 2013, Shazam [17] developed a new background synchronization technology that does not require manual intervention from users), there is a need for new regulations to limit the amount and type of data that can be compiled, while allowing consumers to find out what information is known about them. [4]

The second major regulatory issue is related to the fact that **businesses require an extensive and proper protection of the newly generated immaterial assets** (e.g., Sensory Marketing Technologies and Sound Marks) through **national and international trademark and intellectual property regulations.**

Currently, **registration of Sound Marks** is available in different jurisdictions, e.g.:

- According to the United States Patent and Trademark Office, "three possible mark formats are available: (1) standard character format; (2) stylized/design format; or (3) *sound mark*".

- In the EU, Article 4 of Council Regulation (EC) No. 40-94/1993 relevantly states that any Community Trade Mark may consist of "any signs... capable of distinguishing the goods or services of one undertaking from those of other undertakings" and, since 2005, the OHIM accepts sonograms as a graphical representation of a trademark.

- The Madrid Protocol for the international registration of marks, administered by WIPO also protects sound marks, considering that "the representation of sound marks consist of a musical notation on a stave, a description of the sound constituting the mark, or a ... recording of that sound – or of any combination thereof".

5. Conclusions

Contemporary marketers cannot ignore the phenomenon of Social Media. The way second-screen initiatives are integrated into a business strategy, engendering a harmonized set of consumption-related Social Media experiences - with added value for users, will have a direct impact on their ability to increase multitasking, to widen consumers' attention span, encourage engagement and develop feedback loops between TV and second-screen activity as well as between content providers and viewers.

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