

# Netnography: The Marketer's Secret Weapon

*How Social Media Understanding Drives Innovation*

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MARCH 2010



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# Executive Summary

Marketers in today's competitive world need an edge. This paper offers two of them. First, it tells marketers to consider social media not just as a marketing tool, but as a way to continuously build high-level consumer insight. Second, it offers a rigorous method based in anthropology for building social media data into applied cultural insights. That method is called netnography.

In netnography, online interactions are valued as a cultural reflection that yields deep human understanding. Like in person ethnography, netnography is naturalistic, immersive, descriptive, multi-method, adaptable, and focused on context. Used to inform consumer insight, netnography is less intrusive than ethnography or focus groups, and more naturalistic than surveys, quantitative models, and focus groups. Netnography fits well in the front-end stages of innovation, and in the discovery phases of marketing and brand management.

Netnography follows six overlapping steps:

1. Research planning
2. Entrée
3. Data collection
4. Interpretation
5. Ensuring ethical standards
6. Research representation

A short illustration of a computationally assisted netnographic approach to a brand study of Listerine is provided. It demonstrates how insights can be used to inform marketing activities including brand perceptions, brand positioning and repositioning, segmentation studies, new product development and innovation, trend identification, new service models for co-creation of value, social media usage and opportunities for marketing campaign activation. By leveraging the power of netnography, marketers can make better business decisions, giving companies a unique competitive advantage.

## Marketing and Social Media Space

The new social world is online. Internet penetration rates continue their global climb. Reasonably, we can say that over a billion people now participate in various forms of social media. We are in the midst of a technology-led communal revolution.

The implications for marketers, marketing researchers, and managers of all stripes are vast. Consumers are sharing all sorts of emotions and information with each other about an incredible panoply of products, retailers, and brands.

The online environment offers us nearly unlimited access to consumer-to-consumer communications that are:

- *relevant* and *detailed*
- from a *naturally-occurring* context
- *unelicited*
- obtained in an *unobtrusive* way, and
- obtainable in a *timely*, effective, and efficient manner

This data is raw. It is authentic. Spontaneous. Indigenous. Unforced. Unadorned. Powerful. Highly involved and often spectacularly creative.

Marketers have responded by beginning to build social media into their marketing plans, their advertising and promotional campaigns. But in terms of consumer insight, marketing is dominated by the same old methods. Focus groups. Surveys. Data models. The move to build rich understanding with the cornucopia of online consumer data is just beginning.

What is in this overflowing horn of plenty? A range of overlapping opportunities. Applied to business and marketing needs, netnography builds deep consumer insights that provide:

- All-embracing descriptions of the marketplace—segments, product groupings, attribute sets
- Realistic comprehension of online communication—categories, trends, symbols, images
- Social understandings of consumer choice—influencers, adopters, WOM properties
- Natural views of brand meaning—decoding authentic consumer language and terms, as well as visual and audiovisual analysis
- Embedded discoveries of consumer innovation—based in lead user, inno-tribe, and prosumer creativity

Compare netnography to the focus group or survey data dominating the world of consumer insight research.

- Focus groups offer detailed and relevant data. But they are elicited, obtrusive and completely artificial. The one-time group dynamics are synthetic and strange.
- Surveys are artificial, obtrusive, and elicited. We often have no way of knowing if our survey questions are relevant to the consumers' world.
- Both focus groups and surveys can be expensive. Consider that a national set of focus groups can easily run in the hundreds of thousands.

There are currently only a handful of far-sighted companies that conduct netnography. Although it is now globally established in the academic world of consumer and marketing research, the very notion of online ethnography is still unknown to most marketers, product managers, marketing researchers, and product innovation and consumer insight specialists.

That is why you need to read this paper.

You need to read it because netnography offers a sharp new arrow in the consumer research quiver, a powerful new tool for the marketing workbench. Or, if you prefer Sun Tzu's "The Art of War"...

Netnography is the marketer's secret weapon for developing innovative ideas.

## Introducing Netnography

In August of 1995, there were 18,000 websites on the net.

At the time, I was a Ph.D. student studying how culturally embedded consumer innovation occurs in person, and on the Internet, in fan cultures.

Beginning my research career with this amazing new tool (or was "cyberspace" just a "fad"?), I became convinced that online communities had momentous implications for marketing. I believed that the Internet's ability to connect consumer to one another would change the marketing world forever.

In 1995, on that group of a few thousand websites and many active usenet newsgroups, I began developing a new method for Internet-based marketing research: netnography.

Netnography reflects an unusual hybrid of training: I am an anthropologist, trained in marketing. I apply anthropology and its time-tested method of ethnography to an expansive range of questions about markets and consumers. To simplify things considerably, let us say ethnography is built upon several foundations:

1. It is *natural*. It seeks out and approaches a culture where it exists, living and breathing.
2. It is *immersive*. It seeks cultural understanding from an active stance that develops engaged personal participation alongside "objective" observation.
3. It is *descriptive*. It seeks "rich description," the thick, evocative, living language that conveys the subjective reality and emotional truth of culture members.
4. It is *multi-method*. It promiscuously uses other methods such as interviews, semiotics, projectives, photography, and video to complete the portrayal of the lived reality of the culture.
5. It is *adaptable*. Ethnographies have been conducted with every major culture on Earth. As Sigourney Weaver demonstrated not only in "Gorillas in the Mist," but also in "Avatar," ethnography even works on nonhumans.

Netnography is Internet, or technologically networked, ethnography. Netnography is ethnography adapted to the complexities of our contemporary, technologically mediated social world.

Netnography is ethnography that bridges the century-old method of Bronislaw Malinowski and Franz Boas with the reality that many teens conduct more of their social life on Facebook than in the schoolyard, that new moms get much of their information not from their family or friends, but from new mom web forums, and that, in many workplaces, bloggers and tweeters are the most important sources of industry news and opinions.

Because many of us live our lives in an interrelated matrix of online and offline social behaviors, meaningful studies of culture must attend to both types of communication. Netnography adapts ethnography to this complex combination of online and offline sociality by giving us ways to study life in the time of technologically-mediated culture.

## How is Netnography Different?

There are many different ways to study consumers' interactions in the online social world. Here are a few of the major ones:

- We can survey people and ask them about their behaviors
- We can track and trace online behaviors and clickstreams
- We can set up online focus groups, panels, and artificial communities
- We can code, catalog and categorize data.

The key to netnography, and what makes it different from methods like focus groups, surveys, CRM data models, clickstream tracking, and even artificial communities, is this:

*Netnography is focused on **cultural** insights.*

Netnography is different because it treats online communications not as mere "content," but as *social interaction*, as *embedded expression of meaning*, and as *cultural artifact*.

Netnography pays very close attention to **context**.

Netnography looks not merely at the words present in social interactions, but at the forum elements, the communicator characteristics, the language, the history, the meaning, the type of interaction. It examines fonts, spacing, symbols, texts, images, photos, and videos.

And, like its predecessor ethnography:

1. It is *naturalistic*, following social expression to its online appearances.
2. It is *immersive*, drawing the researcher into an engaged, deeper understanding.
3. It is *descriptive*, seeking to convey the rich reality of contemporary consumers' lives, with all of their hidden cultural meanings as well as their colorful graphics, drawings, symbols, sounds, photos, and videos.
4. It is *multi-method*, combining well with other methods, both online and off, such as interviews and videography. Like all methods, netnography often works even better when triangulated with other sources of insight. For example, complement netnography with targeted surveys to validate the replicability of findings.
5. It is *adaptable*, moving effortlessly from newsgroups to blogs, wikis, virtual worlds, social networking sites, podcasting and mobile online/offline communities, and whatever else the future has in store.

More than this, netnography offers specific, rigorous guidelines about:

- *How to plan research and plan for work in the field.* An organized netnographer will need a research question, or set of questions, to direct her investigation.
- *How to conduct netnographic entrée.* How to use a focused research question to hone in, reach out, find, enter, and investigate the different online fields where a culture or community expresses and gathers.
- *How, when, and where to collect data about the culture and community.*
- *How to apply consistent, interactively-adjusted, insightful analysis and interpretation to the data.*
- *How to apply strict ethical research standards and procedures.*
- *How to evaluate and present the end-product of the research.*

Stated in brief terms, netnography follows these six overlapping steps: research planning, entrée, data collection, interpretation, ensuring ethical standards, and research representation. Each of these topics merits a longer discussion of its own.

Because online data collection can be so challenging and interesting, let us proceed to a brief examination of this topic.

## Online Data Collection and Computationally Assisted Netnography

Two of the chief data collection challenges for the netnographer are: (1) how to find the appropriate data, and (2) how to balance vast amounts of available data with the ethnographic necessity of an in-depth cultural understanding.

As anyone who has used a search engine to investigate a topic knows, Internet data is easy and cheap. Type the brand name “Listerine” into the main Google search engine and you will be faced with approximately 907,000 hits.

It is relatively easy for someone to download a few dozen of these web pages and forum posts about the brand, review and summarize them, and then to pass themselves off as an online anthropologist. However, something would be missing.

There are likely to be at least two major problems with the 907,000 or so hits about the Listerine brand, or any other popular brand, product, or market category that we might be interested in investigating. First, there are many different communications going on at once, and this makes finding the research appropriate communications difficult. There is advertising, official communications, spam, promotions, and reposts coexisting with the social, consumer-to-consumer interactions that drive netnography. Google only gives us the first 1,000 hits. And even with those thousand hits, we face a situation of abundance. More is not always better. Even if we were to transcend the common search engine’s limitation, the prospect of manually downloading and reading tens of thousands of online interactions is a daunting time commitment.

Netnography requires the researcher to investigate the range of pertinent cultural activity occurring in online social spaces. These social spaces have been growing prodigious both in volume and in variety. Because of these two facts, I have found it increasingly valuable to have quality software tools as an adjunct to netnography.

I have even recently coined a term for this useful mode of netnography: *computationally assisted netnography*. Computationally assisted netnography adds the careful use of software tools to the protocols of the netnographic process in order to assist the researcher. Wisely deployed, high-quality software-based computational tools can help the netnographer by assisting with the following tasks:

1. *Sourcing*: allows the netnographer to scan the online environment for relevant and interaction-oriented mentions of brands, categories, product usage situations, and markets. Good tools will allow for a breadth and variety of sites. The more the better.
2. *Tracking*: provides some context to the data so that relevance and cultural insight can be judged. They will also provide source information (preferably hyperlinked), so that the data can be usefully traced to its source
3. *Marking*: allows the researcher to write and save their own notes and observations on top of the data set
4. *Collecting*: facilitates the archiving and collection of sets of data in ways that organize it without losing the subtlety of its cultural condition
5. *Reducing*: at some point, large amounts of the data need to be reduced into order to build them into coherent insights. Strong tools will be flexible, subtle, and adaptable
6. *Visualizing*: using different types of analysis, unexpected insights can occur when data is presented in a new visual ways
7. *Pervading*: with easy, user-friendly interfaces, computation tools can allow the researcher to be on top of the dynamic, ever-unfolding, naturally-occurring situation that is online interaction. Real-time consumer insights inform better and better strategic decisions.

As this paper suggests, computational software tools can be most helpful in the selection, data collection, and data analysis stages of the netnographic research process.

## The Power of Netnography: Taking a Strong Swig of Social Media

Participant observation and keen description are at the heart of my netnographies. I also use many types of tools to conduct them. I use search engines such as Google, including Google Groups, Google Trends, and Google Social Search. I also use Technorati, and Twitter Search. I use qualitative data analysis software such as Atlas.ti. and NVivo. For automatic semantic recognition, organization of relevant semantic forms and patterns, and location of online conversation sites, and overall understanding of what consumers are saying, I have recently been using NetBase's ConsumerBase tool. I continue to build my cultural insights with non-textual searches of sites like Flickr, YouTube, and DeviantArt.

Let us take a very short, simple example. Consider the power of an integrated, computationally aided netnography to enlighten a brand manager about brand meanings and consumer innovation.

The example I chose is Johnson and Johnson's Listerine brand. Participating mainly offline in Listerine use and introspection, and online reading, viewing and collection, I used a selection of search engines such as Google, Technorati, and Twitter Search, as well as scans of visual and audiovisual data on Facebook, YouTube, Flickr, and DeviantArt. I used Netbase's ConsumerBase tool to locate, organize, and classify these findings, and to recognize semantic patterns among them for my further investigation.

NetBase technology, which also includes a powerful lens for online social behavior, revealed a range of oral health blogs, medical and medicinal advice forums, social media groups and microblog feeds that mention and discuss Listerine.

In the netnography, I discovered that Listerine has become thoroughly absorbed into popular culture's social conversations. Currently, mentions of the product include this insulting gem from celebrity gossip site perez Hilton. com: "If Jon Gosselin is really strapped for cash, we suppose he could always pose nude, but then we would have to find a way to soak our brains in Listerine." Multiple sites also mentioned Listerine in connection with mentions of John Mayer's kiss-and-tell lovelife. In each of these mentions, Listerine's cachet drew from its harsh overtones, its connotation as a strong, necessary medicine that purifies, but that has an edge of nasty-tasting chemical cruelty about it.

This netnography begins with the question "Which online communities and other social spaces do consumers who are interested in Listerine congregate to?" The next set of questions might concern more specific purposes, such as "What brand meanings do culture members associate with Listerine" and "What are some of the novel uses to which Listerine is put?"

We find a range of Listerine-based opinions in domestic blogs such as Lost in Laundry, The Daily Bitch, and The Happy Slob's Guide to Housekeeping. In these blogs, we often find that the use and, especially, scent of Listerine are nostalgically and practically linked to the notion of "grandpa." Grandpa always made me gargle with Listerine when I had a little cough or cold. Grandpa soaked his feet in Listerine. Coming up close for a hug, my Grandpa would always have the slight lingering scent of Listerine about him. The mom blogger at "From Cribs to Carkeys" wrote:

"Generally, the idea of Listerine gives me the shivers. I think of the old school original flavor that my grandpa used to use and want to run screaming."

In a primordial sense explained well by cultural analyst Clotilde Rapaille, consumers encode these memories and impressions as deeply significant. Symbolically, the brand is scent-focused, medicinal, old, stale, and male. It arouses stories of the past, of family, of childhood. This is a brand that is rooted in nostalgia, in hard-to-budge meanings of the foul smelling yellow mouthwash (at least to the mom blogger target). To a brand manager interested in brand meanings and extensions, however, they speak volumes about limitations and opportunities (such as new geriatric lines and targeted products).

These meanings of chemical harshness and artificiality are echoed in visual imagery that portrays Listerine bottles with strong muscular arms, as a hand grenade, and with an alien blue glow. In addition, far-reaching old Listerine advertising lives on, repeated and reprised, showing Listerine being used as an aftershave, as a skin ointment to treat wounds, as a cold remedy, and as nose drops.

In fact, in 2008, Listerine was called to task for shameless false advertising by blog Mental\_Floss, which rated Listerine #1 on its all time list of offenders. The blog overviewed some of the brand's far-fetched health claims over the years, including using the product on stings, as a dandruff preventative, as a substitute for flossing, and preventing "halitosis", the bad breath "disease" invented by Listerine's ad agency.

It is fascinating to note how many of these uses, propagated almost a century ago many of them disputed by the FTC and denied in the 1970s by "corrective advertising," live on in the Internet sphere of today. As if the old liquid maintained some of the slippery snake oil magic of its early years, consumers continue to recommend Listerine for a mélange of different ailments and usages.



These creative uses appear in a variety of different forums. We still see Listerine recommended to prevent or treat dandruff, to treat cuts and bruises, and for use as a bracing (if foul-smelling) aftershave. Metafilter and various other forums recommend treating canker sores with Listerine. Soaking your toes in Listerine, we are told, will kill toenail fungus.

In the recipe-sharing community RecipeZaar, we see Listerine recommended as a “recipe” against mosquitoes. It also appears in other recipes, such as one that combines equal parts Listerine with baby oil and warm water to treat dogs’ dry itchy skin and “hot spots.”

In Scott Products’ Common Sense community, a forum where “thousands of members across the country and exchange real-life Common Sense wisdom for saving time and money” we can find innovative consumer posts about Listerine, suggesting it be used:

- On a sponge, to kill ants or bugs anywhere in your home and keep them away
- To take the stains off of your bathroom counter

Another popular use is as a toilet cleaner. And there are many more medicinal and around-the-house uses for Listerine. Some representative examples follow:

- On the early-retirement.org forum, we find a concoction of Listerine, Epsom salt, and beer recommended for use as a mosquito repellent.
- The alternative health site Ayurvedicure.com recommends applying Listerine to a sterile cotton pad and applying it twice a day to cure yeast infections.
- Myhomeremedies.com recommends “dousing” the hair with Listerine in order to kill head lice.
- Wonderhowto.com provides a video in which a grey-bearded pharmacologist wearing a tie tells us how to cure athlete’s foot using a combination of vinegar and Listerine.
- Various gardening blogs and home care sites recommend spraying flowers, such as roses, with different types of Listerine-based solutions (including some that mix Listerine with water and tobacco)

The cultural themes circulating around these uses are those of strength in killing and repelling. Listerine kills not only bacteria, but fungus. It also kills small insects such as aphids, ants, and lice. It also repels them, and other pesky insects, like mosquitoes.

Online, we can see how the creative uses of Listerine move it closer and closer to that of a pesticide. Even if Listerine worked as an insecticide and a repellent, an insightful cultural analyst would immediately recognize that the toxic brand associations of pesticide-in-your-mouth would be undesirable.

So, from this brief netnography, we learn about some key issues and opportunities for the Listerine brand. The brand is:

- Culturally meaningful and omnipresent
- Associated with harsh, strong, purification
- Linked to age and the past
- Associated with grandpa
- Seen as artificial and chemical
- Associated with many different uses (i.e., fun to experiment with)
- Linked to home cleaning products
- Viewed as a natural home remedy
- Recommended for garden use
- Linked to pesticides

Listerine's brand managers can use this necessarily brief netnographic analysis to focus their efforts. Should the brand be repositioned from the past to the present and future? How might this happen? Is there strong value in the nostalgia appeal? Can the "shameless" trickery advertising of Listerine's past be used to current advantage? Can some of its creative consumer uses become useful brand extensions (Listerine Garden Helper? Listerine Natural Skin Care?)? How can the toxic, pesticidal cultural meanings of the brand be managed? How can some of these sites of social media activity become sites for Listerine's marketing campaign activation?

Although, in a full-length netnography, these ideas would be developed in significant breadth and depth, this example suffices to underscore how social media data, combined with netnographic analysis attuned to cultural insights, can yield potentially valuable ideas about consumer impressions, brand meanings, brand extensions, new product innovations, and social media sites of marketing activation.

## Netnography and Management


A thorough, detailed, netnographic study can reveal much about consumer behaviors, opinions, tastes, impressions, and interactions. Like face-to-face ethnography, netnography provides a window into the realities of consumer groups as they go about their lives.

We learn about the local language, the history, the players, the practices and rituals, as well as the enculturation and education of cultural members. More than this, we learn where consumers congregate, what they share, and how they communicate. We gain deep insights into who our consumers are, where and how they find sources of community, who are the most influential voices in those consumer communities, what are the meanings, rituals, and traditions of these communities, and so on. With analysis and interpretation, we discover the variety of forms and the patterns within how and why they consume.

Over the last ten years, I have had the privilege of working with a range of far-sighted global companies, exploring the applied use of netnography. Working with clients such as American Express, Campbell's Soup, eBay, and Merck, we have found that the intelligence of netnography empowers a range of important marketing and business decisions.

In particular, we have found that netnography is a powerful way to understand the changing marketplace, to gain an understanding of tomorrow's trends today, and to gain ideas and insights as valuable inputs to the front-end ideation process. Today, netnography enlightens managers on matters such as:

- Advertising reception, alteration and interpretation
- Brand community opportunities and negotiations
- Brand perception
- Brand positioning and repositioning opportunities
- Choice making
- Community management
- Competitive analysis
- Innovation in new products and services
- New service models for co-creation of value
- Product and category usage
- Segmentation forms and patterns
- Social media audits, usage, and opportunities
- Trend identification
- Web-page and interface design



Netnography offers transformative new opportunities to today's marketing researchers and marketers. However, change is not easy. Many companies have their marketing research systems oriented around the input from regular focus groups and surveys.

To begin making a transition to a world of richer, more realistic, more natural, and more informative consumer data, here is an 8-step plan to guide you.

1. *Understand and state your consumer insight goals*—How do they currently involve the benefits of social media and netnography? How might they involve it in the future?
2. *Educate yourself about the different methods for using naturalistic social media data.* Remember that being an early adopter of effective new methods can carry competitive advantages both for your career and your company.
3. *Educate and train your co-workers and employees* about the benefits of netnography, and other methods that are appropriate. Become informed about these powerful new methods, and share your expertise.
4. *Build consensus in your company* through high quality presentations and reading materials.
5. *Develop a plan* that intelligently integrates the use of social media insight methods with your other forms of research. Use some of the ideas in this paper as your starting point.
6. *Learn through trial.* Find out how different forms of netnography work, and different applications of netnography for different purposes.
7. *Sample appropriate tools.* Be discriminating. There are many tools currently available that simply do not measure up. Insist on ease of use and comprehensiveness, among the other attributes I have listed in this paper.
8. *Build a skill set and a competitive advantage.*

The returns have revolutionary potential.

# Key Takeaways and Lessons

1. Social media channels provide data for innovation that is relevant, detailed, naturally occurring, and obtainable unobtrusively.
2. Netnography is a method designed to provide consumer insights from social media data.
3. Like ethnography, netnography is natural, immersive, descriptive, multi-method, and adaptable.
4. Unique among social media methods, netnography seeks to generate cultural insights from contextualized data.
5. Netnography follows six overlapping steps: research planning, entrée, data collection, interpretation, ensuring ethical standards, and research representation.
6. Computationally assisted netnography adds the careful use of software tools to the protocols of the netnographic process in order to assist with data collection and analysis.
7. Netnography offers a range of new insights for front end innovation, providing:
  - Holistic marketplace descriptions
  - Communicative and cultural comprehension
  - Embedded understanding of consumer choice
  - Naturalistic views of brand meaning
  - Discovery of consumer innovation
  - Mappings of sociocultural online space
8. Transforming to a company that uses netnographic data may take time, education, and require organization consensus building.
9. Netnography is your secret weapon for deep strategic insights, for fresh ideas for innovation, and for new approaches to brand, campaign and community management.

1. <sup>i</sup>For much more detail on the method, see my book: Kozinets, Robert V. (2010), *Netnography: Doing Ethnographic Research Online*, London: Sage.

<sup>ii</sup>See Rapaille, Clotaire (2006), *The Culture Code: an Ingenious Way to Understand Why People around the World by and Live As They Do*. New York: Broadway Books.

# About NetBase

NetBase provides insight discovery tools that are changing the way people search. Its next-generation semantic technology reads sentences to surface insights from billions of sources in public and private online information. Patent-pending lenses provide context for search results and intelligently guide users to answers. NetBase solutions are assisting market researchers at Fortune 1,000 companies with netnography and social media understanding and enabling science, technology and medical (STM) publishers to enrich their documents for researchers. Five of the top ten consumer packaged goods companies, including Procter & Gamble, and two of the top three STM publishers, including Reed Elsevier, are using NetBase to find answers faster. Based in the heart of Silicon Valley, NetBase is a privately held company. **For more information, visit: [www.netbase.com](http://www.netbase.com).**

The logo for NetBase, featuring the word "NETBASE" in a bold, sans-serif font. The letter "A" is replaced by a red upward-pointing triangle.

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