

The Business of Social Media

BMA Milwaukee 2007

What We Will Cover

What is it?

What is the Business Impact?

Who's Using it (our customers)?

What to do about it ?

Who I Am

- ▶ Aaron Kahlow, Managing Partner for BusinessOnline
 - ▶ Board of Directors for Business Marketers Association
 - ▶ 180 Internet Marketing seminars
 - ▶ Worked with leading brands like: Chevron, Cisco, Kimberly-Clark, Tyco...

- ▶ BusinessOnline -Web Site Services: Build, Optimize and Improve Web Sites
 - ▶ Search Engine Optimization (SEO)
 - ▶ Web Site Usability and Customer Experience Optimization (CEO)
 - ▶ Web Design and Development
 - ▶ Website Strategic Planning
 - ▶ New: Social Media Strategies

Who are You?

**How many using some form of
Social Media?**

Social Media: What is it

What is Social Media?

- ▶ **Social media** describes the [online](#) technologies and practices that people use to share opinions, insights, experiences, and perspectives with each other.
- ▶ A few prominent examples of social media applications are [Wikipedia](#) (reference), [MySpace](#) (social networking), [YouTube](#) (video sharing), [Second Life](#) (virtual reality), [Digg](#) (news sharing), [Flickr](#) (photo sharing) and [Miniclip](#) (game sharing). These sites typically use technologies such as [blogs](#), [message boards](#), [podcasts](#), [wikis](#), and [vlogs](#) to allow users to interact.

Characteristics

- ▶ Web is the Platform
- ▶ Collaboration is the method
- ▶ Simple: Point, Click, Publish
- ▶ Syndication, Ubiquitous and Immediate

From the Beginning of time...

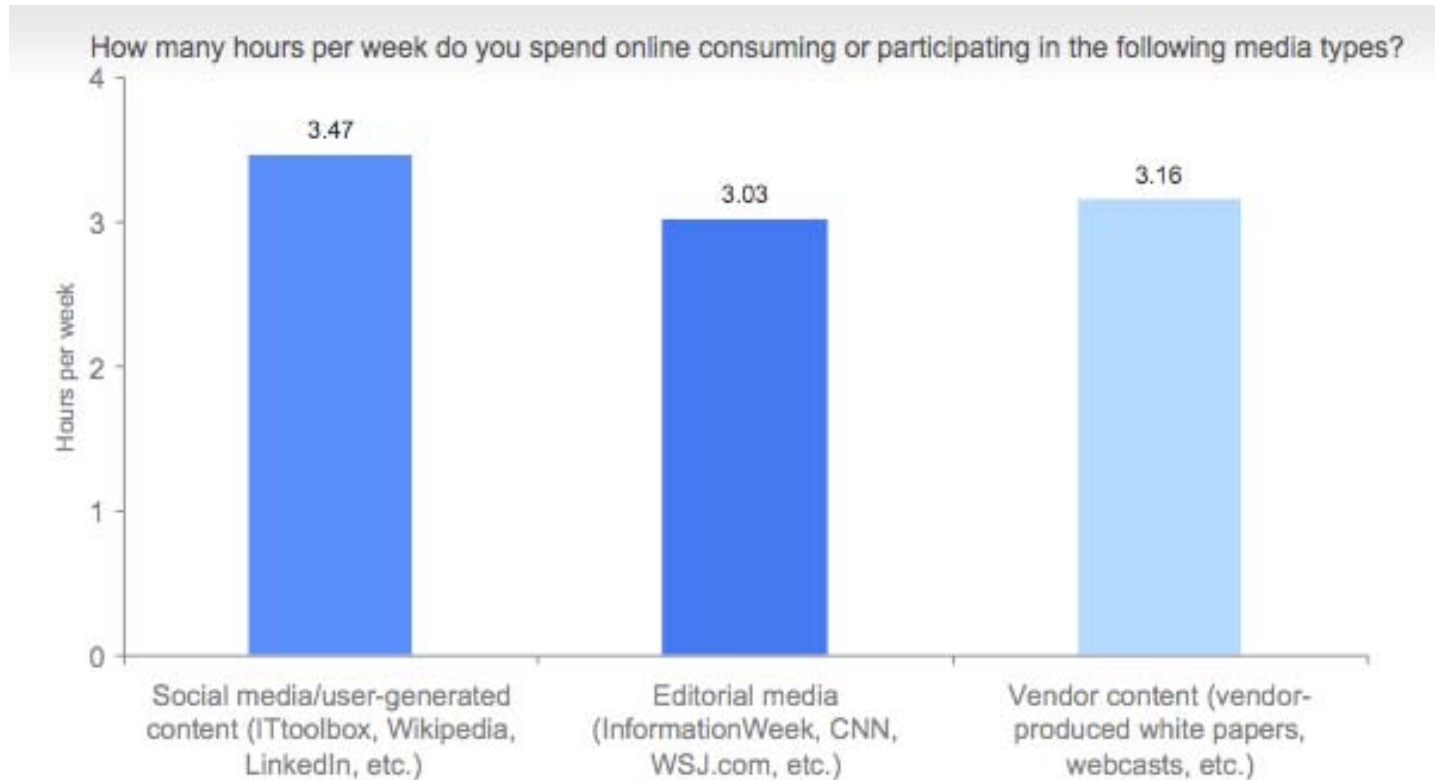
- ▶ Word of Mouth
 - ▶ 42.6% Top Sales influencers
- ▶ Viral Marketing (online)
- ▶ Bulletin Boards of 1995



Aristotle

Social Media: Impact

How BIG is Social Media?



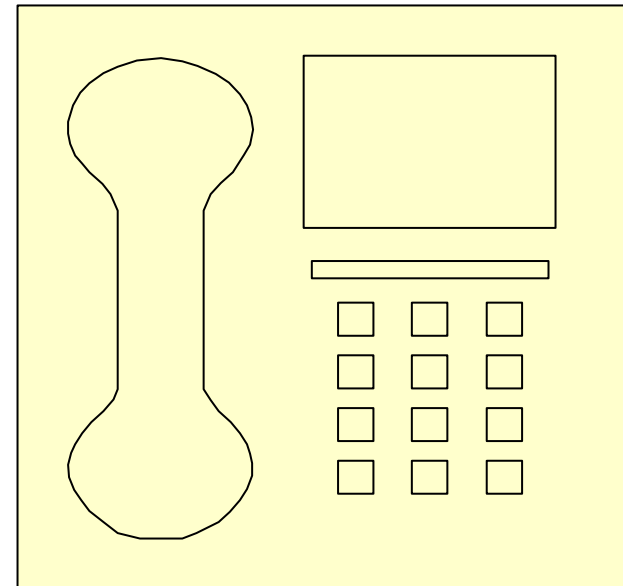
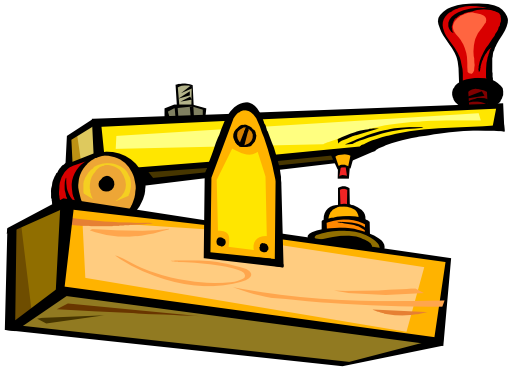
Source: [ITA Toolbox/ Social Media Index](#) via [Web Strategist blog](#)

Top Sales Influencers...

- ▶ Internet 39%
- ▶ TV 18%
- ▶ Radio 12%
- ▶ Magazine 3%
- ▶ Newspaper 2%



One way vs. Two Way



Way we Do Business Changed Forever

- ▶ Not about the Brand Push
- ▶ Emotional Brand Experience
- ▶ Never been about best product?
- ▶ Ease of use and self ownership
- ▶ Handshake rarely happens first ..
- ▶ Interaction online will be first touch

Social Media: Who's Using it?

Who is the Social Customer

- ▶ Active & Passive
- ▶ Loyal vs. Advocate
- ▶ Consumer & Contributor

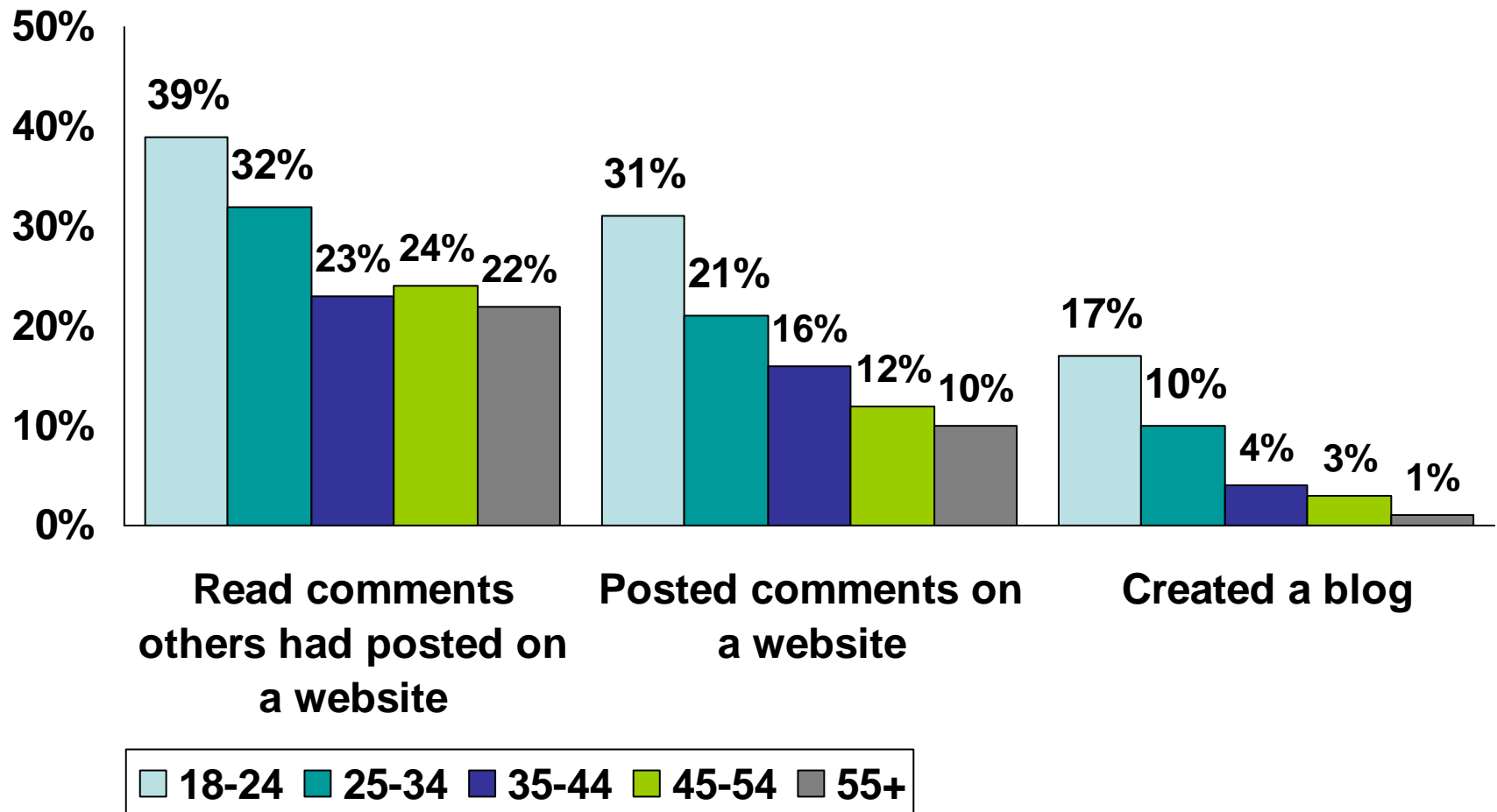


Breakdown of Social Customers

	Monthly Actions	Gen Y 18 - 26	Gen X 27 -40	Boomer 41 - 50	Boomer + 51 - 61
Creators	Blog Publish	15%	4%	2%	1%
	Web Page	22%	12%	7%	6%
Critics	Visit Boards/Chat	32%	21%	14%	10%
	Visit Rating sites	17%	16%	12%	10%
Collectors	Use RSS	4%	3%	2%	1%
	Use Social Sites	37%	12%	6%	4%
	Use Photo Sharing	29%	22%	13%	12%
Coach Potatoes	Read Blogs	27%	14%	9%	7%
	Watch Video	32%	25%	18%	12%
	Listen to Podcast	9%	6%	5%	4%

* Source: Forrester Benchmark Survey

Readership of UGC Increasing with Older Adults; Creation Still Skews Young

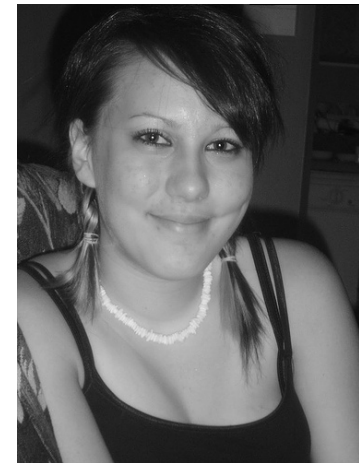


Which of the following activities have you conducted monthly or more frequently in the past year? (Select all that apply)

Who's The Social Customer

What do they Say?

- ▶ I want to have a say
- ▶ I want to know when something is wrong
- ▶ I want to help shape things I find useful
- ▶ Don't want to talk to salesperson
- ▶ Want to buy things on my schedule
- ▶ I want to tell you when you are screwing up
- ▶ I want to do business with Transparent Companies



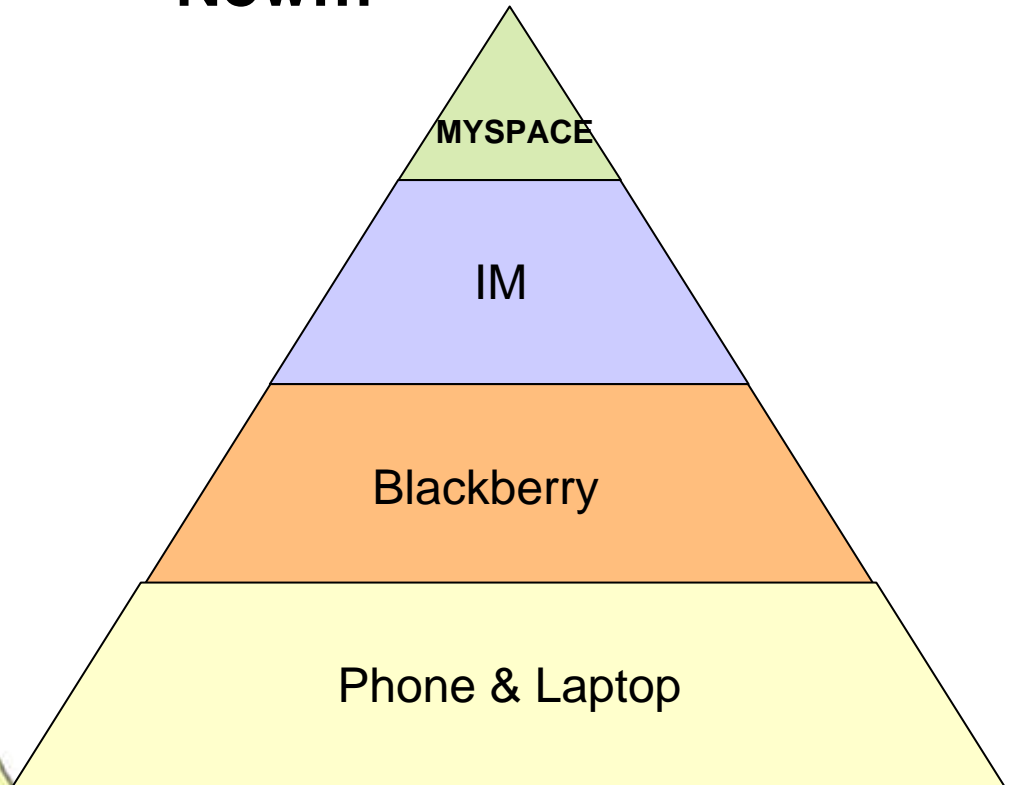
* Chris Carfi Blog

Maslow's Hierarchy of Needs

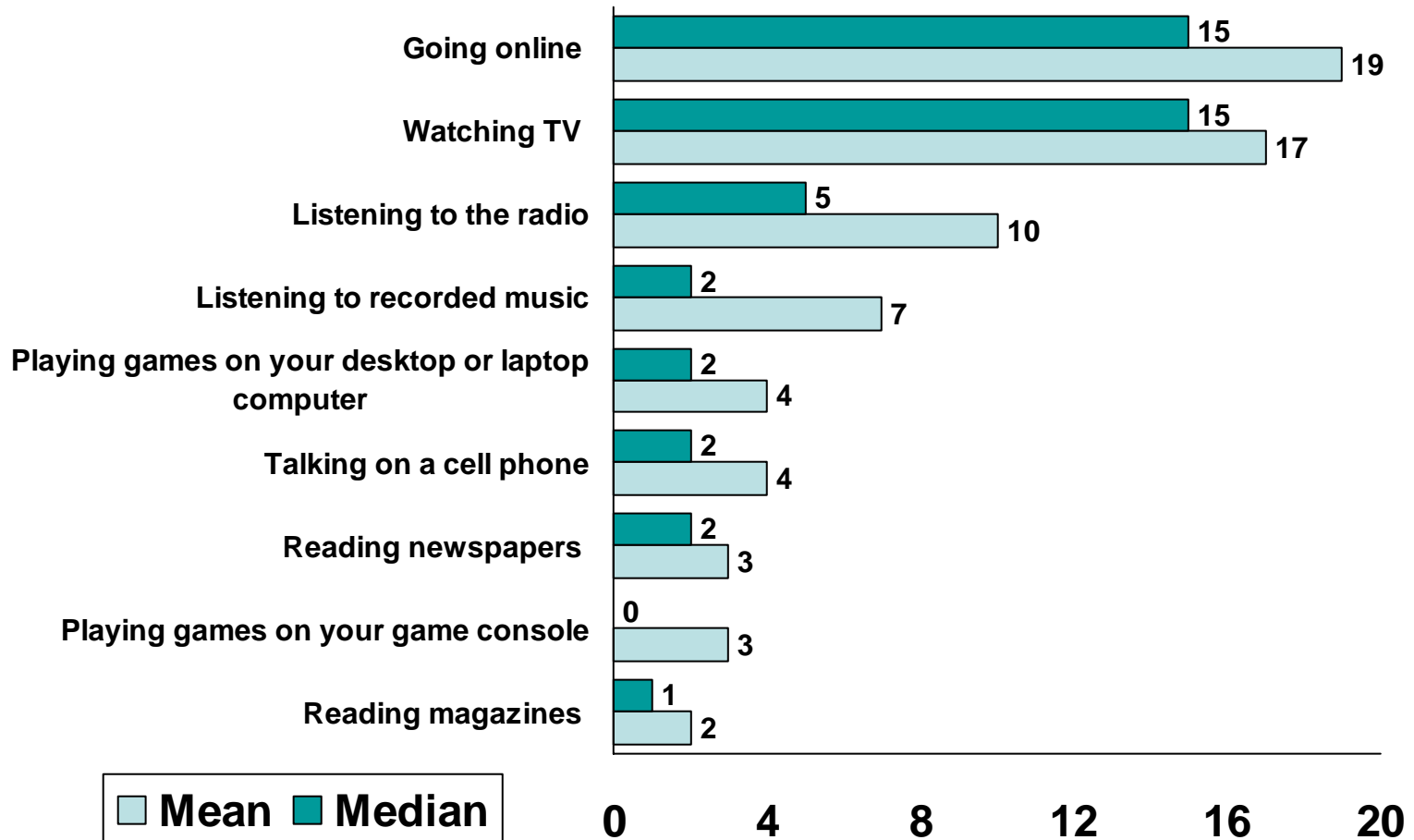
Then



Now...

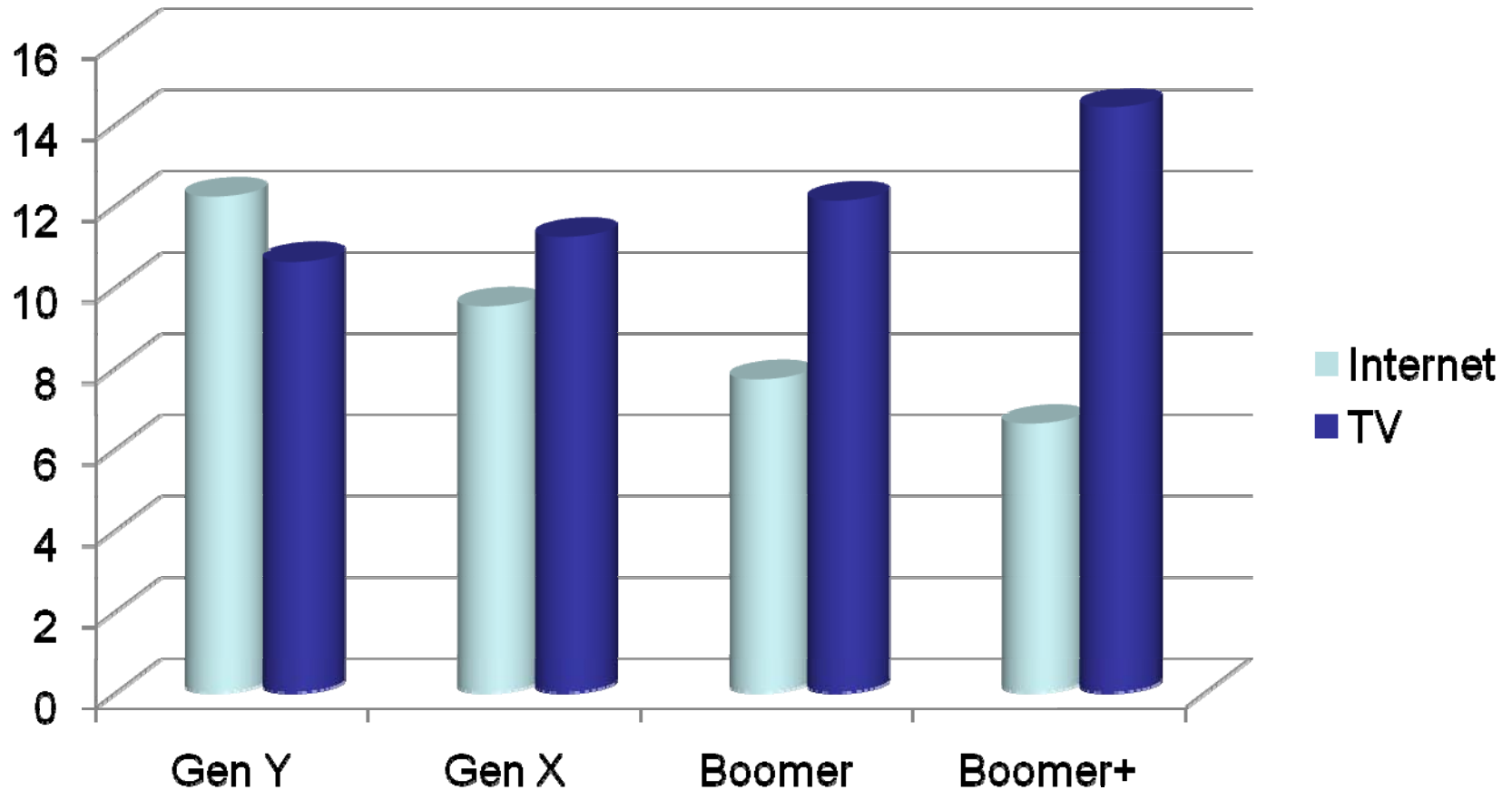


Most Individuals' Media Consumption is Dominated by Internet and TV

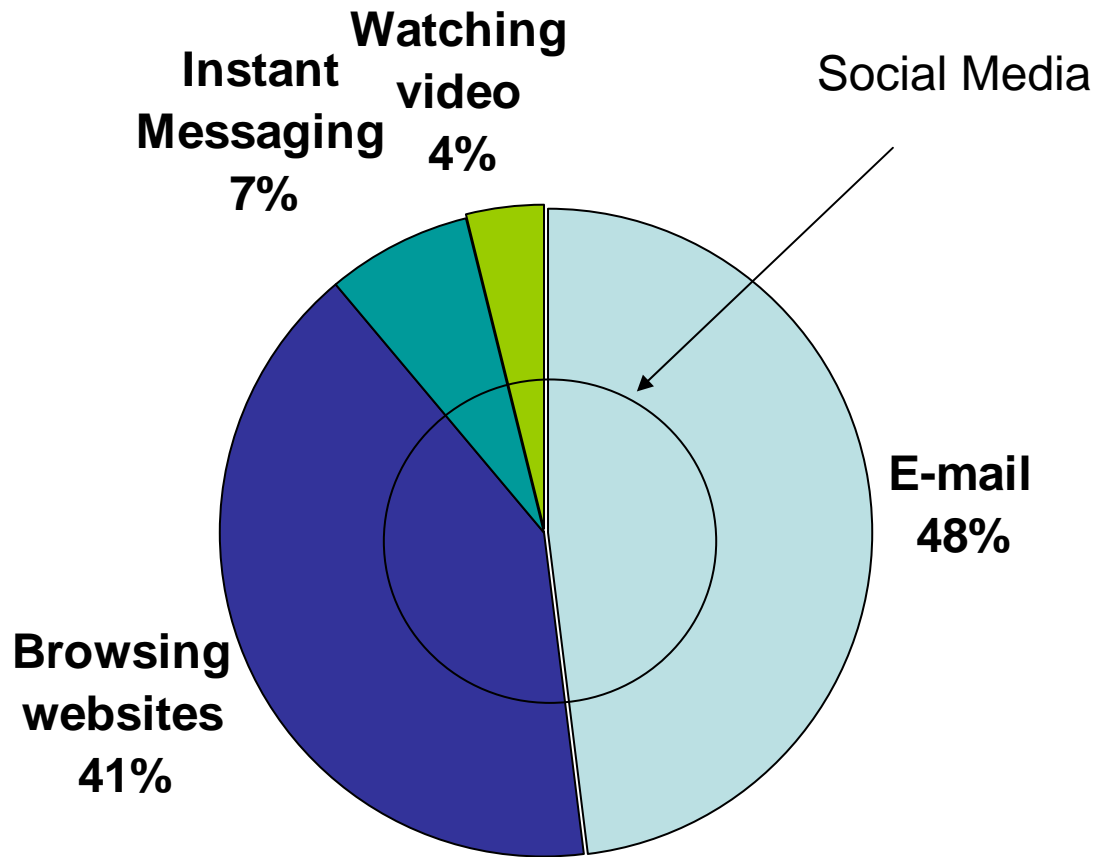


On average, how many hours per week do you conduct each of the following activities? (Please type in the number of hours, if none type in '0')

Time Spent in Week



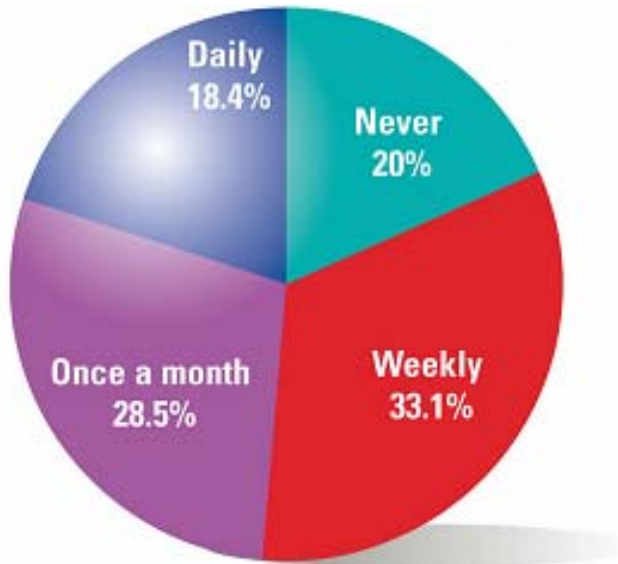
Users Split Time Online Between Media and Communication, Social Media Blurs that Line



Q3. In a typical week, what percentage of the time you spend online is spent on each of the following activities?

Key Findings: Blogs & RSS Survey

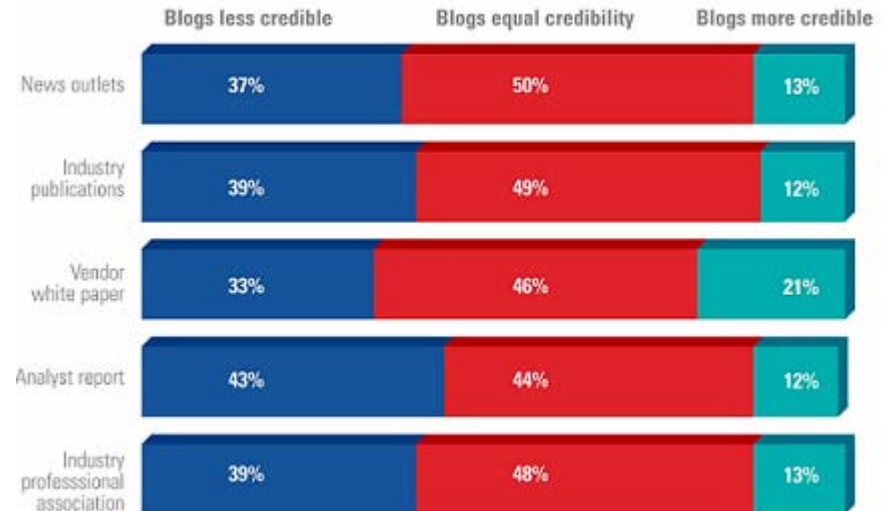
- ➔ 80% of users surveyed read blogs at least once a month



How often do you read blogs?

KnowledgeStorm / Universal McCann
Emerging Media Surveys

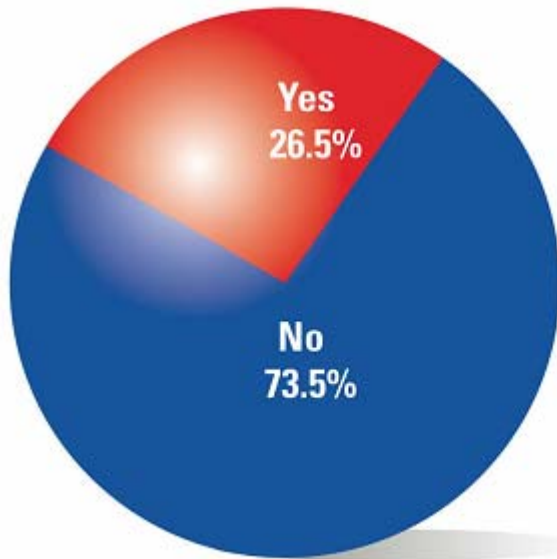
- ➔ 63% said blogs are equal to or more credible than news outlets
- ➔ 56% said blogs are equal to or more credible than analyst reports



Generally speaking, are blogs more or less credible compared to the following information sources?

Influence on B2B Buying Decisions

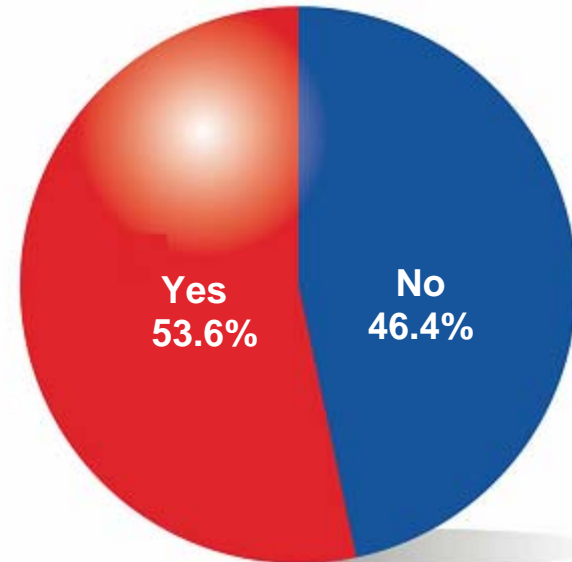
- ➔ Today, almost 27% of podcast users say the content influences work-related IT decisions



Does podcast content influence your work-related IT decisions?

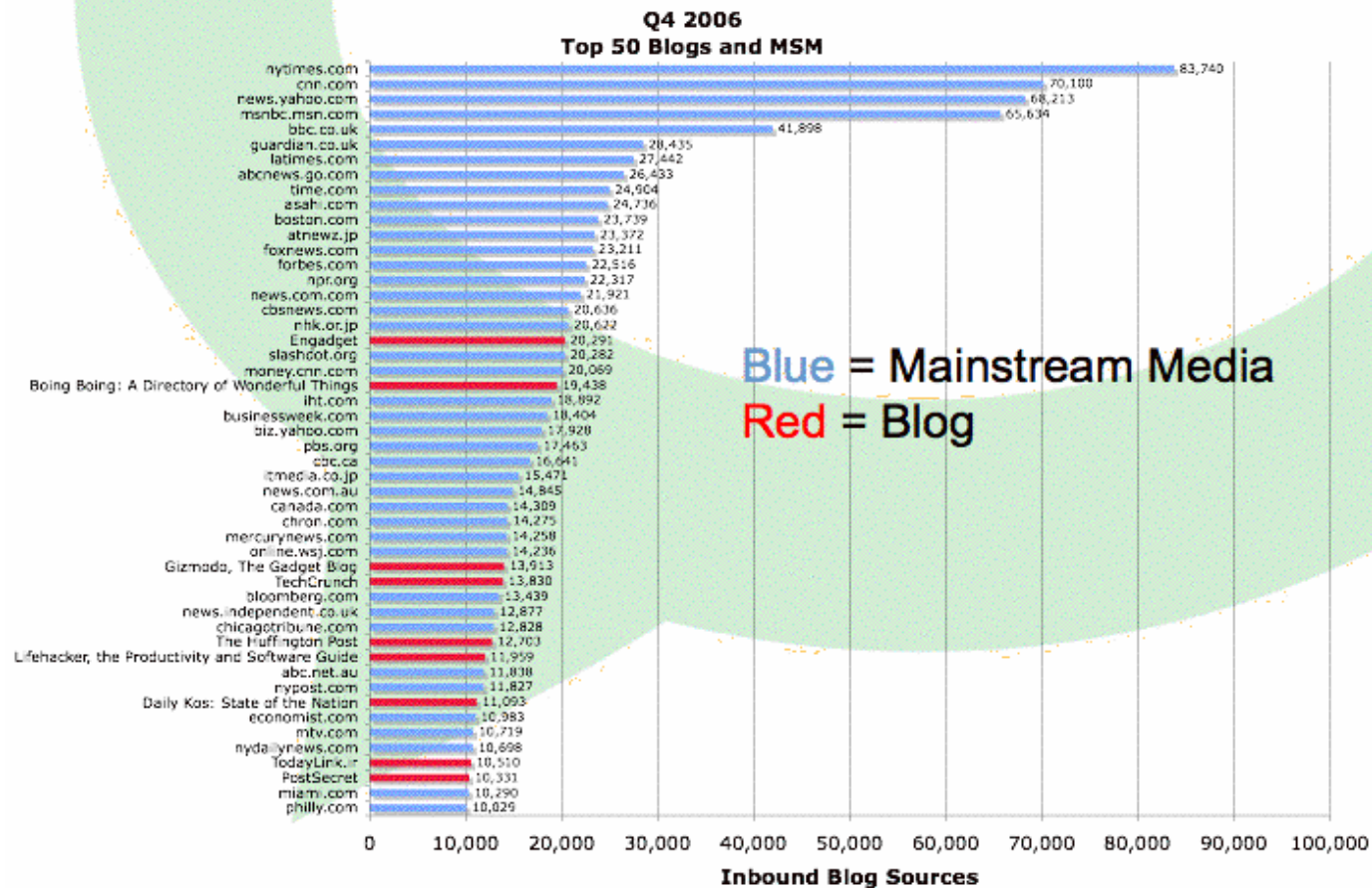
KnowledgeStorm / Universal McCann
Emerging Media Surveys

- ➔ In contrast, almost 54% of blog readers say blog content influences work-related IT decisions



Does the content you read in blogs influence your work-related IT purchase decisions?

Example: Blogs Rival Mainstream Media in Popularity and Influence



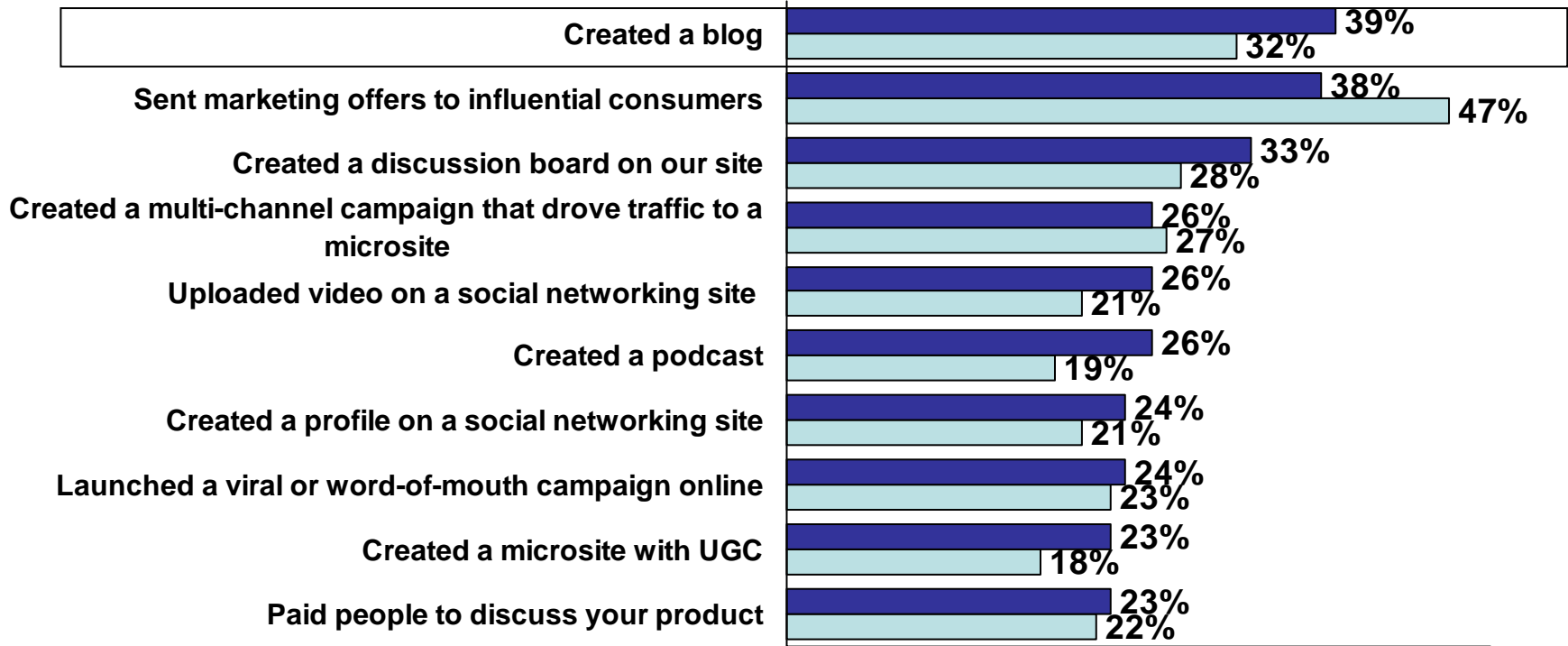
**So how does this compare
with Marketing Spend?**

Social Media: What to do about it?

What are we doing....?

- ▶ While 56% of marketers say they are members of online social communities, only 38% are members of business-related networks online,
- ▶ It found that 69% of executives feel social media networks are not important, while 31% indicated they are somewhat to extremely important.
- ▶ Nearly half (48%) of search marketers place content on social networking sites such as MySpace and YouTube, according to a new survey by

Marketers will create blogs on their own sites

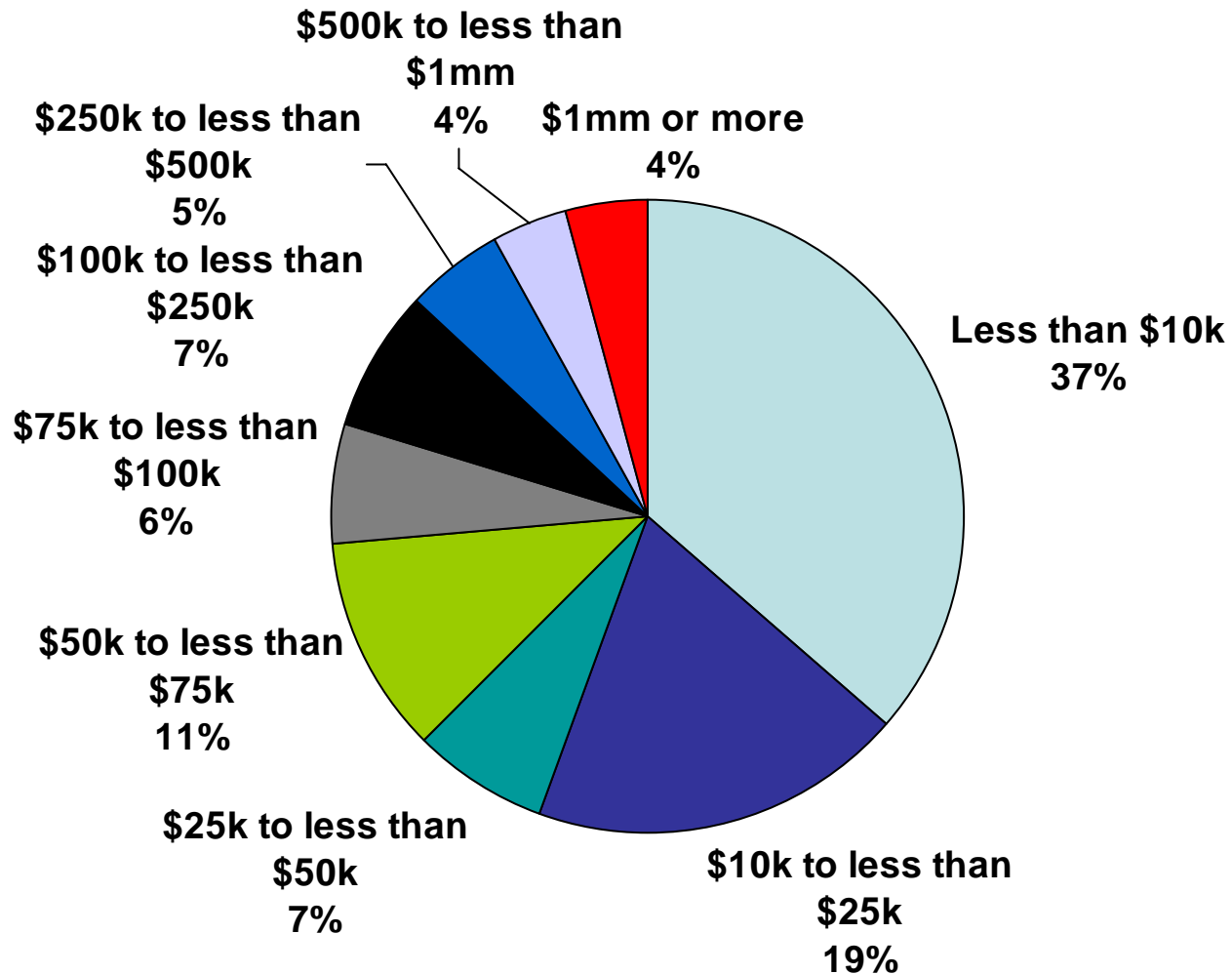


Percentage of Social Marketers 0% 10% 20% 30% 40% 50%



What forms of online social marketing has your company used in the past 12 months and which do you plan to use in the next 12 months?

Social marketing budgets remained small in 2006



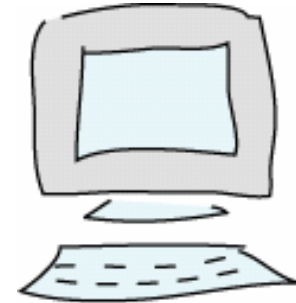
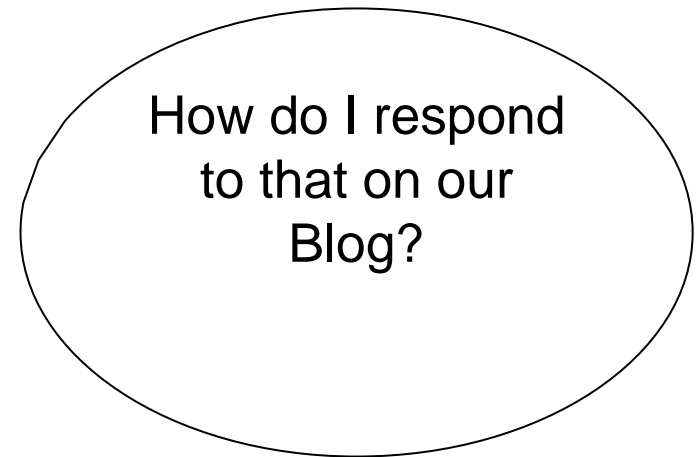
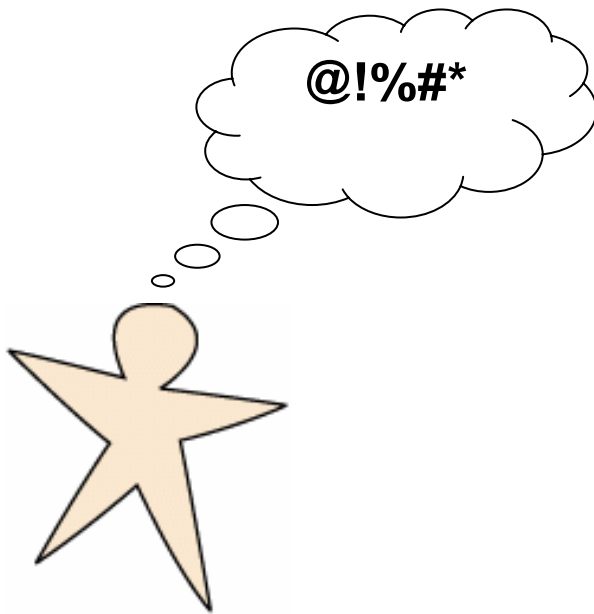
Business of Social Media

- ▶ 64% Joint Online & Offline experience for meaningful engagement
- ▶ 84% have not started mapping out touch points
- ▶ 95% personalized experience essential
- ▶ But, 37% not doing any personalization
- ▶ 32% of businesses “Fully” Engaged in Web 2.0 Strategy

* BPT Partners & Information Week

Competitive
Advantage?

What are you afraid of...?



Business applications of Social Media

- ▶ Blogs
- ▶ Forums
- ▶ Communities
- ▶ Video Sharing
- ▶ Wiki's



Blogs

- ▶ A **blog** is a user-generated website where entries are made in journal style and displayed in a reverse chronological order.

- ▶ Examples of Success:

- ▶ iLounge
- ▶ HackingNetflix
- ▶ StarbucksGossip



Monitoring America's favorite drug dealer.

APRIL 01, 2007

Starbucks CEO Donald hopes partners will be at his funeral



Starbucks CEO Jim Donald (left) is asked in an interview what he wants to be known for at Starbucks. "I'm just trying to keep it small as we grow," he says. "I've always said, in whatever job I had, that I'd know I was successful if the day I died, all the front line [employees] came to the funeral. To me, that's a sign of success." He says the company should not develop a thick skin to deal with criticism. "If we develop a thick skin to these issues, I think we fail. Unfortunately, when we get mischaracterized, it's not the truth and we really get mad about it. ...It's OK to be sensitive. ...If you just said, 'Who cares what they say? It's not the truth,' that doesn't work, not in a company that's connected to its partners like we are." (*Seattle Times*)

| PERMALINK | COMMENTS (19)

MARCH 31, 2007

Weekend open thread: Another chance to discuss

APRIL 2007						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

RECENT COMMENTS

HopkinsBella on New Starbucks CD features music by employees

OhioRiverBarista on Weekend open thread: Discuss anything Starbucks-related

dani graff on Too much coffee, man?: Starbucks chairman lashes out over falling stock price

Mom on From the mailbox: What should this Starbucks employee do about her car break-in?

Forums

- ▶ An **Internet forum** is a facility on the World Wide Web for holding discussions and posting user generated content, or the web application software used to provide this facility.

- ▶ Success Example:
 - ▶ ItToolBox

The screenshot shows the ITtoolbox website interface. At the top, there is a navigation bar with the ITtoolbox logo, a greeting for 'Online_Marketer', and links for 'My Profile', 'Settings', and 'Click Here'. A sidebar on the right contains a 'What is ITtoolbox?' section and a 'Community Awards' section. The main content area features a three-step process: '1- Create', '2- Connect', and '3- Communicate', each with a brief description and an icon. Below this is a 'Sign Up Now' button. A search bar is located under the heading 'Community Knowledge Bases', which also displays the total number of pages (1,318,679) and a search button. The knowledge bases are categorized into several sections: 'Blogs', 'Groups', and 'Wiki'. The 'Groups' section lists various IT topics such as CRM, ERP, SAP, and Supply Chain. The 'Development & Integration' section lists C Languages, EAI, Java, Visual Basic, and Web Design. The 'Data Management' section lists Business Intelligence, Database, Data Warehouse, Knowledge Management, and Oracle. The 'Networking & Infrastructure' section lists Linux, Networking, Security, Storage, UNIX, Windows, Wireless, and Hardware. The 'IT Management and Trends' section lists CIO, Emerging Technologies, and Project Management. At the bottom, there are links for 'Advertise' and 'Post a Job', and a paragraph explaining that knowledge bases allow members to interact and organize content based on topics of interest.

Community (Social Networks)

- ▶ A **social network** is a social structure made of nodes (which are generally individuals or organizations) that are tied by one or more specific types of relations, such as financial exchange, friendship, hate, trade, web links, or airline routes.

- ▶ **Success Examples:**
 - ▶ LinkedIn

The screenshot shows a LinkedIn profile for Aaron Kahlow. The header includes the LinkedIn logo, user name 'Aaron Kahlow', and navigation links for 'Account & Settings', 'Inbox', and 'Expand Your Network'. The main navigation bar has tabs for 'Home', 'People', 'Jobs & Hiring', 'Services', 'Answers', 'My Profile', and 'My Contacts'. Below this is a search bar with a dropdown set to 'People' and a search button. The profile section includes 'Edit My Profile', 'Edit My Public Profile', and 'View My Profile as others see it' buttons. There are also 'Forward', 'Print', and 'PDF' options. The profile details for Aaron Kahlow are: 'Owner, Business Online [Edit]' and 'Greater San Diego Area [Edit]'. Below this are tabs for 'Profile', 'Q&A', 'Recommendations', and 'Connections'. The 'Current' section lists 'Owner at Business Online [Edit]' and 'Managing Partner at BusinessOnLine (www.BusinessOL.com) [Edit]'. The 'Past' section lists 'Channel Director at InternetConnect', 'Sales Manager at Nextel Communications', and 'Commercial Real Estate Broker at Cushman & Wakefield'. The 'Education' section lists 'James Madison University'. The 'Recommended' section shows '1 person has recommended you 1 partner'. The 'Connections' section shows '7 connections'. The 'Industry' section is 'Internet [Edit]'. The 'Websites' section lists 'My Company [Edit]', 'Online Marketing Summit [Edit]', and 'My Blog [Edit]'. On the right side, there is a 'Profile Completeness' bar at 80% with a note 'Adding a summary will bring you to 85%'. Below that are two ads: 'Find the Right Lawyer' and 'Rockford Bankruptcy Info'. At the bottom right, there is a section 'Aaron Recommends' with '1 People including: Eric Peterson' and a 'Recommend more people' button.

Wikis

- ▶ A **wiki** (IPA: [wɪ.ki] or [wi .ki]^[1]) is a website that allows visitors to add, remove, edit and change content, typically without the need for registration. It also allows for linking among any number of pages. This ease of interaction and operation makes a wiki an effective tool for mass collaborative authoring.

- ▶ Example of Success:
 - ▶ Wikipedia



The screenshot shows the Wikipedia article for "Wiki". At the top, there is a navigation bar with tabs for "article", "discussion", "view source", and "history". Below this, the article title "Wiki" is displayed, followed by the text "From Wikipedia, the free encyclopedia (Redirected from Wikis)". A note states "Your continued donations keep Wikipedia running". The main text explains that a wiki is a website that allows visitors to add, remove, edit, and change content, typically without the need for registration. It also allows for linking among any number of pages. The text mentions that the term "wiki" can also refer to the collaborative software itself (wiki engine) that facilitates the operation of such a site, or to certain specific wiki sites, including the computer science site (the original wiki) WikiWikiWeb and online encyclopedias such as Wikipedia. A "Contents" box is visible on the right side of the article, listing sections from 1 History to 10 External links. On the left side, there are navigation and interaction menus, a search box, and a toolbox.

Video Sharing

➤ **Video sharing** refers to websites or software where a user can distribute their video clips. Some services may charge, but the bulk of them offer free services.

➤ Examples of Success

- YouTube.com
- vMix.com

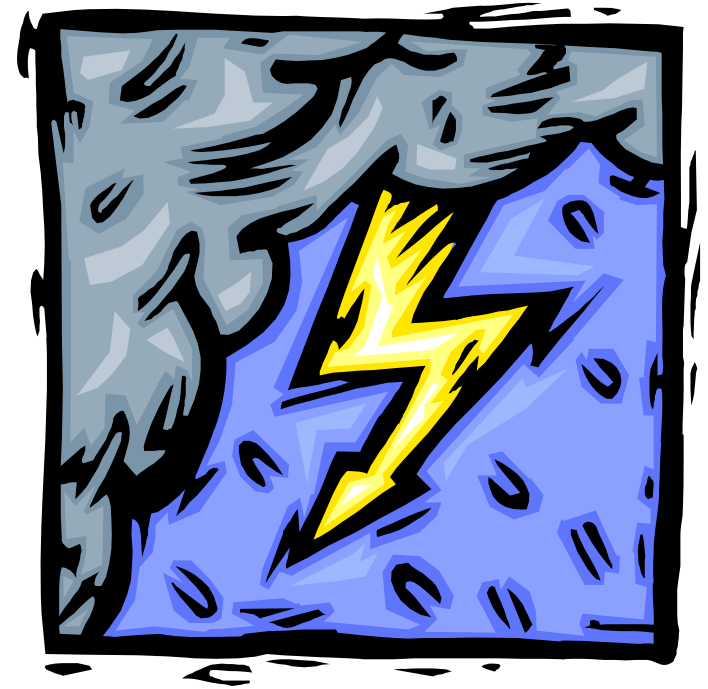
The screenshot displays the vMix website interface. At the top, there is a navigation bar with the vMix logo and the tagline "creative is sexy". A green banner on the right encourages users to "create your own fully branded channel. IT'S FREE" and includes a "CLICK TO SEE HOW" button with a hand icon. Below the navigation bar, the "Editor's Picks" section features four video thumbnails with titles like "FIZZ : EPISODE 1 : 3 TEASER : DIRECTV", "Infants Bred for Wart", "Ninja Apples", and "Family Guy - Quahog 5 news". Each thumbnail includes a "Watch Video" button. To the right, a "What's Happening on vMix" section lists various contests and events, such as "Last Chance to Enter and WIN 2 tickets to London, Contest Ends April 5th" and "Enter the Documentary Channel's DIY DOC Contest for a Chance to Bring your Passion to Prime Time!". Below this, there are sections for "Need Help?", "Looking for the vMix Slideshow Creator?", and "Want Your Videos and Music on vMix? Sign Up and get started!". The "Featured Channels" section on the left lists channels like "THE-WE.TV Channel", "Robotic Reviews", and "BLINKY TV", each with a brief description. The "Featured Songs" section on the right lists songs like "Sunshine and Sidewalks", "sundown", and "Undeniable", each with a "Watch Video" button and a brief description.

Ask Yourself

- ▶ Who is my audience?
- ▶ What do they want?
- ▶ Do we want to be part of the conversation?
- ▶ Do we honest customer feedback?
- ▶ What is the objective of the(ex:Blog)?

Why Now? The Perfect Storm

- ▶ Web 2.0 Technologies
- ▶ Broadband Proliferation
- ▶ Online Adoption



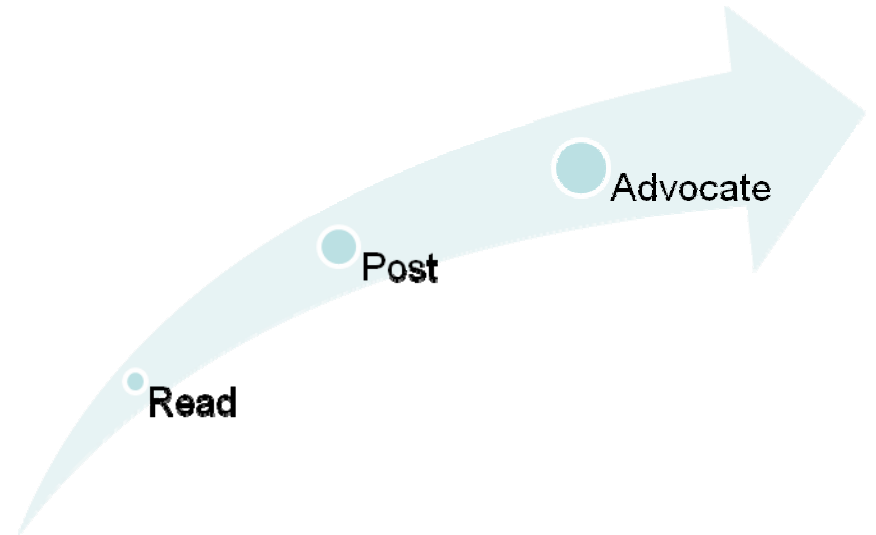
Why does it Matter?

- ▶ The conversation is happening; either you are a part of it or not (raising children)
- ▶ 30% who read blog/post more likely to purchase
- ▶ 80% who contribute more likely to purchase**

***CoreMetrics, Web 2.0 Study*

What about the long-term

- ▶ Lifetime Value
- ▶ Loyalty & Retention
- ▶ Advocacy
- ▶ Brand Equity
 - ▶ Emotional Connection



Oh, and don't forget about SEO

SEO Benefits Tremendously

- ▶ On Page: Content Galore
- ▶ Off Page: Links from
 - ▶ Blogs/forums posts
 - ▶ Wiki links with high authority
 - ▶ Social Networking sites

What's Working in Social Networking

- ▶ D.E.N.
- ▶ Channel 9
- ▶ ItToolbox
- ▶ LinkedIn
- ▶ Facebook

Suggestions

- ▶ Participate in other Blog, Forums, Communities
- ▶ Invite your customers to be part of the conversation
- ▶ Replicate Success
- ▶ Test New Ideas
 - ▶ Microsite Private Label

Take Away ...

- ▶ **Want PPT?**
- ▶ **New Marketers Online Knowledge Resource Community?**

***Write what you want on Back of Business Card
or***

Email me at Aaron@BusinessOL.com