Social networking is on the move in the business world. What used to be a social playground for young people has become part of many a solid business model. Facebook, Twitter, LinkedIn and countless others social sites are being utilized by companies to connect with customers or members, thereby building a rapport that translates to increased exposure and indirect advertising. How successful are these efforts?

In 2011, Audi ran a commercial in the highly coveted air time during the Super Bowl. At the end of the commercial a Twitter hashtag appeared: #ProgressIs. For the uninitiated, hashtags are a way of marking posts in Twitter so that a line of conversation can be easily followed. #ProgressIs was part of a campaign that involved free give-aways, a test drive of Audi’s latest model cars, and even a sizeable charity donation. While there is no way to gauge if this promotion resulted in increased revenue, Audi has since acquired a massive following on Twitter and Facebook, the latter boasting even more fans than pop star Justin Bieber. And this seems just fine with Audi. Its intent was to engage fans, which it accomplished. (Manjoo).

In fact, many companies are chasing this same phenomenon. According to an article by Farhad Manjoo, “Emarketer [an internet research and analysis company] estimates that 80% of companies will participate in social-media marketing this year [2011], nearly double the number of just three years ago.” However, Brad Shaw, Vice President of Home Depot’s corporate communications, proclaims “revenue is not the intent” (Manjoo). So what is? It seems that it is to build a following and foster customer loyalty.

In this fast paced world, people don’t have time to slow down and read advertisements in magazines or newspapers. People rarely watch television commercials with the frequency they once did now that DVRs allow them to skip through them. Direct mailings are often tossed aside without so much as a first look. However, the one place most people find time to gather is online; more specifically, they are on social networking sites. While there, they are much more receptive to advertising, either directly or indirectly, especially when it’s built right into the socializing experience.

For example, let’s first look at Facebook. Undoubtedly the most popular of social networking sites, Facebook boasts 800 million users and logged 1 trillion page views in 2011 (Bullas). Many major brands, as well as smaller businesses, have a Facebook page (not to be confused with a personal profile). Fans can “like” the page, thereby pushing any posts by that brand onto their wall, sandwiched right between their friends’ quirky status posts and pictures of relatives birthday parties. It’s subtle, but it works. Companies can post promotions, ads, special offers, but even more importantly than can engage fans in conversations that sometimes have nothing to do with what that particular company is known for. It is those conversations that draw fans in, making them feel a part of something bigger.

LinkedIn is a site similar to Facebook with a decidedly more professional slant. Users can make personal profiles and businesses can have company profiles, similar to Facebook. While it has a significant smaller user base – only 130 million – the demographics lean towards those forwarding career or business endeavors. There are 800,000 groups that users can join, and it has the “Answer” page where member can posts questions to other members (Bullas).

Twitter works a little differently. With 200 million members, many major brands have a presence, but the sheer number of posts -- or tweets as they are called -- that scroll down the page per minute can be overwhelming (Bullas). The beauty of Twitter is the brevity of those tweets. With a mere 140 characters allowed, messages must be short and succinct. The key to creating a following is establishing the hashtags mentioned earlier. Once a company has established and promoted a hashtag linking followers to their unique content, they can easily engage their fan base. As with Facebook, these can be used to promote company products or to simply have fun and eye-catching conversations.

For these platforms content is vital. Without unique and relevant content, even the best marketing plans for the most successful brands will fall flat. People enjoy being a part of something; even more, they enjoy being heard. Using social media allows self-promotion to be a two-way street as followers can voice opinions, sings praises, and share experiences. They may even complain and have fellow fans commiserate. While this might seem counter-intuitive, it’s a healthy forum for them to do this with the added benefit of the company responding to them directly and quickly.
When Boost Mobile, a pre-paid cellular phone company, had serious connectivity issues back in 2009, fans on Facebook were quick to let them know how they felt (Taylor). What began was a rapid-fire back and forth dialogue between customers and Boost Mobile representatives while they addressed the issues and kept users updated on how they were fixing the problem. Meanwhile, other fans reminded the complainers of the many benefits Boost Mobile offered. Users became mollified and agreed to wait out the problem for a little longer. In a traditional business model, this real-time solution would not have been possible. In fact, Boost Mobile is taking this a step further with its “Be Heard” campaign, in which it encourages their customers to vent their complaints on both Facebook and Twitter (Alleven).

Social media marketing has many benefits. As already mentioned, it allows companies to engage customers. As exposure increases, companies experience increased traffic to their main sites. It is an effective way to dispense new information about the company. By posting such things as company or product photos, videos, or other media directly on a social networking site, followers are more likely to take the time to look at it, since they don’t have to leave what they are doing to go to another site.

So how effective is this? We’ve already seen the example of Audi, but it wasn’t focused strictly on what its return on investment (ROI) would be in terms of dollar amounts. However, here are some companies that saw increased ROI directly linked to efforts through social networking:

- Tech giant Cisco used social networking and even a popular online role playing game to launch a new product. Using this approach allowed it to reach a much wider audience than traditional advertising, while saving Cisco a whopping $100,000 in advertising costs.
- Old Spice launched a massive online video campaign on YouTube for its men’s body wash, used in conjunction with Facebook and Twitter. The video had 40 million views in one week. By the end of the campaign, sales increased 107%!
- Subway used social media to promote its 2010 Slim Down Challenge, experiencing an increase of site traffic, “71% of which came directly from Facebook” (Fisher).

While those are examples of companies that are already commerce giants, what about the little guy? Social networking is effective no matter the size of the company. In California, The Crème Brulee Man, a one man traveling food truck, uses Twitter to keep customers informed of his whereabouts. Despite his unique niche, he has amassed over 12,000 Twitter followers, which has essentially been the major factor behind the growth of his business (Fisher).

**Ways to use social networking**

Know your audience. You need to be where they are and only use those social platforms. For instance, having a Twitter account when a majority of your customers have no idea what a tweet is will be of no benefit. This may take some investigative work and research, along with some trial and error, but in the long run it will be worth it as opposed to spinning your wheels in the wrong lane for a significant amount of time. A simple, free survey sent out to your customers can be an effective means to point you in the right direction.

It is vital to provide content that is relevant and interesting on a consistent basis. Direct marketing posts, such as product information or promotions, has its place. However, followers need to be engaged daily or at regular intervals throughout the week and constant marketing posts will slowly become “noise” they don’t hear anymore. Current topics are more likely to catch their attention. If it is something that is of wide concern, they will see the company as sympathetic and plugged into the collective consciousness. Interestingly enough, on Facebook the most popular topic is, well, Facebook (Keath, 9). Once you have your audience’s attention, they will share with their friends. According to the e-book *Facebook Page Marketing*, Facebook users who regularly “fan” pages have an average of 310 friends (Keath, 15). As those friends share with their friends, the potential for exponential growth is limitless. The same applies to Twitter. When followers see something of interest, they are quick to retweet, drawing their friends to you.

Creating engaging posts need not take an exorbitant amount of time. Unless you are a corporate giant with a dedicated social networking team, the job of monitoring your website and networking accounts will most likely be left to one or two employees who have other job duties as well. Working a simple schedule for posting and responding into your company’s strategic plan can optimize their time and efforts.

If you do use more than one social platform, be sure you are educated on each one’s protocol and styles. Each site has its own “ecosystem,” including lingo and etiquette (Balwani). For example, hashtags work on Twitter but not on Facebook. Photos and videos are embedded directly into a post on Facebook, but on Twitter only a URL appears that links to the source page. If that URL is very long, it will eat up your entire 140 character limit, so URL shorteners, such as bit.ly, are frequently used. Understanding such quirks goes a long way in establishing the legitimacy of your presence.

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**ALM is social. “LIKE” our Facebook page and take our survey. Participants are automatically entered into our Spring Giveaway. Three lucky winners will win new ALM brand merchandise. Be sure to stay tuned for our newly revamped website.**
Of course, you need to let the world know what social networks you are on. Your company’s website should have easily found links to any social networking sites you are using. This should also be on any blogs, company literature – both online and offline -- or anything else that you use to connect with customers. Along the same vein, your social networking profiles should have a link to your website.

Building awareness of your presence can take time, but nothing works better than incentives. In short, people love free stuff. Building contests and giveaways into the social networking experience, such as what Audi did with #ProgressIs, can quickly drive up your numbers. On Facebook, you can set up a landing page to greet new visitors, which you can customize to only let them in to see content or contest information if they “like” the page. Most users will go ahead and like the page, knowing that it is reversible if they don’t like or need what they see, which is why paying attention to content is so vital.

One last effective tool to mention is using RSS (Really Simple Syndication or RDF Site Summary, among other things it stands for). RSS is basically used as a subscription type of service, in which users utilize an online program called a reader, such as Google Reader or Feed Burner, which collects selected website content into one place where users can browse at their leisure rather than going from site to site to see if anything is new. It is time saving and effective. Facebook pages have a link built right in for fans to add your page to an RSS feed. If you have a website, you want to make sure that it has this option as well, especially if you have content that changes regularly. Utilizing this in conjunction with your social networking presence will give customers many options for keeping up with you. A very simple explanation of RSS can be found here.

So the bottom line is that social networking has become very intricately entwined with the business world. No matter how big or small the company, it can benefit from utilizing at least some facet of social network marketing. Research the best combination that will work for your business, allocate a small amount of resources in terms of personnel and time, and be sure to provide relevant and consistent data. Like planting and nurturing a seed, in no time you will see the benefits bloom before your eyes.

References