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Introduction

Change or Die?

"Daddy, where did you hear about Osama bin Laden's death?"

"On Twitter, buddy. On Twitter."

It's three days after Osama bin Laden was killed by U.S. forces, and the Internet world has been abuzz with how we heard the news several minutes before the mainstream media made the announcements.

Welcome to the world of social media, where people are not just talking about the news, they're breaking it.

What do social media and the news have to do with social media and the business world? Everything. In both cases, social media is changing the way people communicate and gather information. It's changing how people share news, share opinions, and share personal events. Social media has made word-of-mouth marketing one of the most powerful marketing tools available.

At least it is for those companies taking advantage of it. The companies that aren't using social media marketing may get stung, or even hammered, by its users, and never even realize it.

Can you imagine getting a phone call from a reporter from the *Daily Mail* in London asking you for your reaction to the tens of thousands of angry blog posts, Twitter messages, and Facebook updates about a seemingly innocuous comment your CEO made at a small conference two days ago?

Your first thought is "What's Twitter?" Your second is, "Why is this reporter calling us? How did they even hear about us?" Your third is "Wait, did she say she was from the *London Daily Mail*? As in England?!" That's when you realize this social media thing has a worldwide reach.

What you didn't realize—until now—is that most of those people were blogging, posting Twitter messages, and updating their Facebook statuses about the thing your CEO said, right as he said it. Those messages reached hundreds of thousands, if not millions, of people, in a matter of a few hours.

Don't think it can happen? We wouldn't have written this book if it didn't. A lot. To big companies. The news about Osama bin Laden scooped CNN by several minutes, and Twitter messages were being sent at a rate of 4,000 per minute while President Barack Obama was announcing the news to the world. The only other time Twitter reached that rate was during Super Bowl XLIV this past February. The immediacy of social media channels isn't just kicking traditional media's butt in first-to-market for news. Journalist Sarah Lacy was raked over the coals on Twitter by audience members watching her 2008 South By Southwest Interview with Facebook CEO Mark Zuckerberg. Her reputation as a journalist was publicly questioned and potentially damaged before she even got off stage. One audience member even approached the question-answer microphone during the session and asked, "Has this been a rough interview for you?" directing the question not at Zuckerberg, but Lacy, who was clueless as to the public reaction.

We're going to say it several times in these pages. Social media is not going away. It's only going to get bigger as more people use it and learn to share with each other. More people are going to share news, information, and personal events, and it's going to eclipse traditional marketing and advertising channels. And your company is going to be right in the middle of it as you deal with customers, announce company news, experience down-turns or crises. Tuning out social media for a few minutes as Sarah Lacy is one thing. While Lacy recovered (somewhat) and is still a successful journalist, if you tune out your audiences and their voices on social channels, it could be the difference between a successful business and an unsuccessful one.

Social media is going to become like the ocean: You never want to turn your back on it.

What Is Social Media Marketing?

Social media marketing has had more effect on the communication world than any technology since television. Even such a dramatic change to the television landscape like cable was nothing more than segmented television. You still sent marketing messages the same way: through 30- or 60-second advertisements that interrupted the programming people tuned in to see.

Wireless communications simply added short text messages to telephone technology. Advertisers still delivered a message to a phone that you hoped the receiver paid attention to. They could respond, but seldom did.

The Internet presented a vast new universe for companies to explore and build outposts for customers to find and perhaps even browse around. But most websites for company communications were simply versions of printed brochures viewed through a web browser well until the mid-2000s. Even today, some corporate websites still suffer from online brochure syndrome. But with the advent of social networking platforms and blogs—which captured Internet users' imaginations throughout the 2000s as their online experience became less about receiving and also about sending messages, or even having conversations—corporate websites began to evolve, too. The Web was no longer static. It was dynamic. The near- to real-time nature of today's communications platforms make it possible for the Internet to be a living, breathing thing, kept alive by its own users who contribute, write, ask, respond, and interact. The two-way nature of conversations in social media channels presents a fundamental shift in how companies communicate with their customers. *Now they can talk back to you.*

Nothing in the history of marketing has let us consumers communicate with our favorite brands in so public a manner. Sure, we could make a phone call, send a letter, and tell a few friends about our good and bad experiences, but the phone call could be ignored, the letter could be thrown away, and we would lose energy after we told four or five friends. Now, we can tell our favorite companies how we feel about their brands and let thousands of our friends know about it at the same time.

Social media sites—blogs, social networks, community-manicured news sites, and photo- and video-sharing platforms—add an element few marketers and business owners expected: conversation. Sure, many companies had on- or offline customer service functions before social media existed. And yes, those channels provided customers the opportunity to respond and even have a back-and-forth exchange with the company. But these conversations were primitive at best when compared with what social media sites are doing today.

No longer are marketing communications about the company spraying sales talking points out to as many people as it could, hoping a few of them would hear or read those points before making a purchase. Fundamentally, social channels are different because companies can send messages to their audiences and the audiences can send messages back ... and even send messages to other customers without the company's blessing or even knowledge.

(Cue the thunderclap and sinister music.)

This is the part that freaks out a lot of businesspeople: the idea that their customers can and already are talking about them. They can't quite get comfortable with that idea, and will hide from, squash, ignore, abuse, or even sue the people who do it, because they're so afraid of the power their customers have.

Social media didn't change marketing from a monologue to a dialogue—it changed it to a *multilogue*. Now, companies can talk to customers and customers to companies, but customers can also talk to other customers, prospects, and the public in general. While initially shocking to the systems of the corporate world, which is used to controlling the marketing message, smart companies see this new world as an opportunity. For the first time, they can watch people talk about them, often in real time, and use that listening to gain insights about what their customers want and even to intervene when customers seek advice and support.

Still, many companies—especially small businesses or those in regulated and conservative industries—shy away from the multilogue, often needlessly. Whether the new dynamic of uncontrolled conversations worries them or the uncertainty of regulatory or legal interpretations of even basic definitions of *marketing* and *advertising* are holding them back, those companies understandably play it safe. Many of you reading this book are part of that group. Don't worry: You're not alone. (And you're reading this book, so you'll soon separate yourself from the safety of what you know to participating safely in the new world of social media marketing, much to your competition's chagrin.)

But by standing on the sidelines and riding the bench, some of these companies are seeing now they've perhaps fallen behind. Some may even feel as if they've missed the boat: that marketing communications has changed course, set sail, and left them behind. If you feel you've missed the boat, you haven't.

In fact, social media and online marketing continues to mature. Although there are still no real rules of social media marketing, enough companies have blazed trails, built case studies, and even monitored consumer behavior in relation to corporate behavior on social media sites to create an accepted standard for "good behavior." There's more proof in the social media pudding today than there was even a year ago. There are best practices to follow, some do's and don'ts to be aware of and, in some cases, even some rules, regulations, and interpretations to help guide companies and their efforts in the social media space.

Social media marketing is no longer in its infancy. It would be premature to call it fully matured—social media, like all other marketing channels, is still evolving and will continue to do so for years to come. But the social media marketing world now knows that companies need business outcomes from their social media efforts, namely increased sales, profits, and market share.

When the early social media evangelists pushed companies to "join the conversation" and "engage with their customers," they rarely mentioned driving business or measuring success. The single-most talked about subject in the social media marketing world in the past two years has been measuring its return on investment, or ROI. As an industry, we're defining the answers to that, and other questions. We're becoming more adept at not just doing social media tasks or implementing social media marketing strategies and programs, but also at accounting for the business side of the equation. Social media marketing is no longer an unclear world. While it's not yet in crystal focus, we've reached a point where most businesses need to take it seriously and the requisite business conversations that help us quantify and understand success and failure there are happening.

The social media marketing world is growing up. And it's ready for you to ask it out on a date.

This book will help you not only understand the culture-shifting philosophies that make up marketing in the social media world, but also the strategic reasons social media marketing is used for business. It will

- Help you understand what social media can do for your business
- Help you decide what you want it to do for your business
- Show you how to measure what it can do for your business

It is not an introduction to social media, but to social media marketing strategy. It peels away the touchy-feely advocacy of early evangelists and gets down to business, because you are a businessperson. You don't have time for frivolity, games, and all that bullshit. You need to know the time and money you spend on social media is accomplishing something for you. You need the *No Bullshit* take on social media marketing.

Part I: "Social Media Is for Hippies. Social Media Marketing Is for Business."

The social media purists laid a healthy foundation for us all. Joining the conversations and engaging with your customers, providing value to earn trust and influence, and other gospels they preach are critical to companies understanding the ethos of social media. But the purists only take us halfway there. A company

requires a back end to the ethos that has something to do with driving business. Part I will give you a gut check to make sure you're focused on social media marketing and in using it to move the needle on strategic business drivers. It will help you understand the difference between social media and social media marketing and level with you about what social media marketing can do. Those insights will come from these chapters:

- **Chapter 1, "Ignore the Hype. Believe the Facts."**—Learn what social media marketing can do for your business so you can understand better what you get in return.
- **Chapter 2, "It's Not Them; It's You!"**—Understand that your hesitation with social media has less to do with the fact your audience has changed and more to do with the fact you haven't.
- **Chapter 3, "Your Competition May Have Already Kicked Your Ass"**—We'll zero in on audience drivers that show social media marketing is almost required, address concerns from the business-to-business crowd, and review examples of successful social companies we hope aren't your competitors.
- **Chapter 4, "Here's the Secret: There Is No Damn Secret!"**—Check off five mind-set shifts that can make you a successful social media marketer.

Part II: "How Social Media Marketing Really Works"

Now that we've seen what social media marketing can do and prepared our mind-sets to ensure we can successfully manage social media for our businesses, we'll take a deeper look at each business benefit. The chapters in Part II will not only dissect how to plan for and measure each business driver, but will also present case studies and interviews we've conducted with business owners and marketing managers out there getting social media done. The chapters in this part include the following:

- **Chapter 5, "Make Some Noise: Social Media Marketing Aids in Branding and Awareness"**—Traditional marketing methods and their metrics have lied to you for years. Learn how these new mediums help you reach customers and build awareness and a case for your brand.
- **Chapter 6, "It's Your House: Social Media Marketing Protects Your Reputation"**—Whether through responding to online conversations about you or using social media content to protect your standing in search engines, protecting your reputation is a critical business focus social media marketing can anchor.

- **Chapter 7, "Relating to Your Public: Social Media Marketing and Public Relations"**—Public relations used to be as much about the media as the public. Now the public is the media and public relations has changed.
- **Chapter 8, "The Kumbaya Effect: Social Media Marketing Builds Community"**—It's one thing to preach about the holy grail of social media (building a community of brand loyalists to market your product for you); it's an entirely different one to show how to build one you can measure and drive business with.
- **Chapter 9, "It's About Them: Social Media Marketing Drives Customer Service"**—Whether it's building greater customer satisfaction or cutting costs, using social media marketing for customer service can change both perceptions and company cultures.
- **Chapter 10, "Get Smarter: Social Media Marketing Drives Research and Development"**—We'll look at collaborating with customers and show how companies can use social media marketing to, in some instances, replace research and development efforts with online social efforts.
- **Chapter 11, "It's All About the Benjamins: Social Media Marketing Drives Sales"**—How many social media evangelists have told you that you can't sell through social media? We'll show you how they're wrong and you can.

Part III: "Get Off Your Ass, Would Ya!"

Now you've got the keys to the car and a map to point you toward your destination. But there are some practical tips to the route you'll need some help with. This section will solidify your confidence and help overcome those lingering hesitations you may have by giving you practical pointers to putting your social media plans into action.

What you're trying to run is a business, not a hobby. As a result, you'll need to address company policies, business goals, and accountability for both internal and external activities. But we'll also leave you with some parting thoughts to make the business drivers you learned about in Part II more practical to apply to your business. In this section, these chapters will help you:

- **Chapter 12, "Remedy Your Fears with Sound Policy"**—Whether your company is already highly social or heavily regulated, strong social media policies are imperative for your success. We'll walk you through

how to create social media policies for your employees and your audiences.

- **Chapter 13, “Assign Responsibility and Be Accountable”**—The larger the organization, the more unclear the answer to who owns responsibility for social media. This chapter will help you decide who should own responsibility for social media marketing in your business.
- **Chapter 14, “This Is NOT a Sandbox. It’s a Business.”**—Although experimentation in new mediums is almost necessary for you to learn how to use these channels appropriately, you have to remember that you’re not playing a game here. Social media marketing is about business.
- **Chapter 15, “Being Social”**—This is our parting shot to help you marry the philosophies of the social media purists and the No Bullshit approach to social media marketing presented in the previous chapters.

And that’s No Bullshit Social Media. Although we make no claims to know and understand your specific business, we will present ideas, arguments, and case studies here to help you apply these ideas and the no-nonsense approach to your organization or business efforts. Everyone’s experience will vary, but at the end of this book, you will have both the knowledge and confidence needed to approach social media as a business...for marketing...and not just as someone wondering if the chatter can do something for your business.

Enjoy!



1

Ignore the Hype. Believe the Facts.

You’re afraid of social media, aren’t you? It’s okay to admit it. It’s a little terrifying to us, and we do this for a living.

A lot of businesspeople, especially C-level executives, VPs, and directors, are afraid of it because they’ve never used it. That lack of understanding breeds more contempt than familiarity because they don’t understand that it can be used for business and certainly not how it can be used for business. And then there are the common fears that creep in. “People might say something bad about my company” is a popular one. (Hint: It’s not that they might. If your product or service is such that people might say something bad about it, they already are. But by not participating in social media, you’re not aware of it.)

But social media is not-so-slowly creeping into the business world. Despite some business leaders' attempts to hide from it, and lots of business owners and managers shying away from it, social media has arrived. Forward-thinking companies are not only starting to use Twitter, Facebook, LinkedIn, and blogging as a way to reach customers, those companies are surging past the competition to do so.

The ones who aren't using social media? They're choosing from myriad reasons why they're afraid of it.

Australian social media professional Jeff Bullas identified 28 of those reasons, and wrote about them on his blog:¹

1. It is detrimental to employee productivity.
2. It could damage the company's reputation.
3. Security risk.
4. Fear of the unknown.
5. We already have information overload.
6. Don't know enough about it.
7. So much of what's discussed online is shallow and we have real work to do.
8. We don't have the time or resources to contribute and moderate.
9. Our customers don't use it.
10. Traditional media is still bigger, we will use Social Media when it is more mainstream.
11. It doesn't fit into current structures.
12. No guaranteed results.
13. The tools to measure and analyze Social Media aren't mature enough yet.
14. We are in B2B and who wants to hear about our boring product on a blog or Twitter.
15. We will lose control of our brand and image.
16. Upper management won't provide support.
17. Waiting on ROI (return on investment) with facts and figures.
18. We are afraid of making a mistake.
19. Lack of experience.
20. Ignorance.

21. Unwilling to be transparent.
22. Confusion.
23. No money.
24. No expertise.
25. Lack of leadership.
26. Terrified of feedback and truth.
27. The "newness" of it, going to wait.
28. High degree of skepticism.

If you're not using social media, how many of those reasons did you find yourself nodding at? If your company is using it, how many of these objections did you have to overcome to convince your boss to let you use it?

This book is called *No Bullshit Social Media* for a reason. We're not screwing around, feeding you a line, or trying to teach you how to use something you're not yet convinced will entirely work.

We're going to give you information about why social media marketing is important to your business. We're not going to couch this book in marketing speak or use business school jargon. This is the no bullshit book.

We want you to understand four things:

1. Social media is the wave of the future. It's not going away.
2. The companies that will succeed over the next 10 years are the ones that embrace social media marketing.
3. The companies that will fail over the next 10 years probably won't embrace social media marketing—most likely because of the fear we hope to eliminate.
4. Social media marketing can be real. It can be actionable. And it can be measured.

Social Media and the Hype Cycle

No single subject has exploded into society and the business world the way social media marketing has.

In 2004, there were no books in your favorite bookstore that even used the term *social media*. Only James Surowiecki's *The Wisdom of Crowds* even considered this soon-to-be-emerging niche of marketing.

Fast forward to 2008: You couldn't swing a dead laptop without hitting a handful of "social media consultants." Few people in the mid- to late-2000s could accurately describe social media properly, much less prescribe marketing strategies and tactics for it. It was a newborn environment, full of experimentation and exploration. There were no rules or best practices. Businesses were curious, but only a little bit. Small businesses were willing to try it because they needed any advantage they could get. But the larger businesses were unwilling to try it, usually for one of the previous 28 reasons.

With information explosions comes the inevitable hype cycle, first described by Jackie Fenn of Gartner Research in January of 1995. After the market is set on fire, with talk about this hot new thing, the "trough of disillusionment" hits: People remember the "dot-bomb" era, and wonder if the "next big thing" is just a fad. (*Hint: Facebook, the world's biggest social network, is valued at over \$50 billion; it's not going away anytime soon.*)

But the companies that embraced it in the 2007–2009 time frame learned how to use the tools, and reached a plateau of productivity. These companies learned how to actually process the information (or product, style, methodology, etc.) and use it in a practical, sensible manner. These companies discovered it was real, actionable, and measurable.

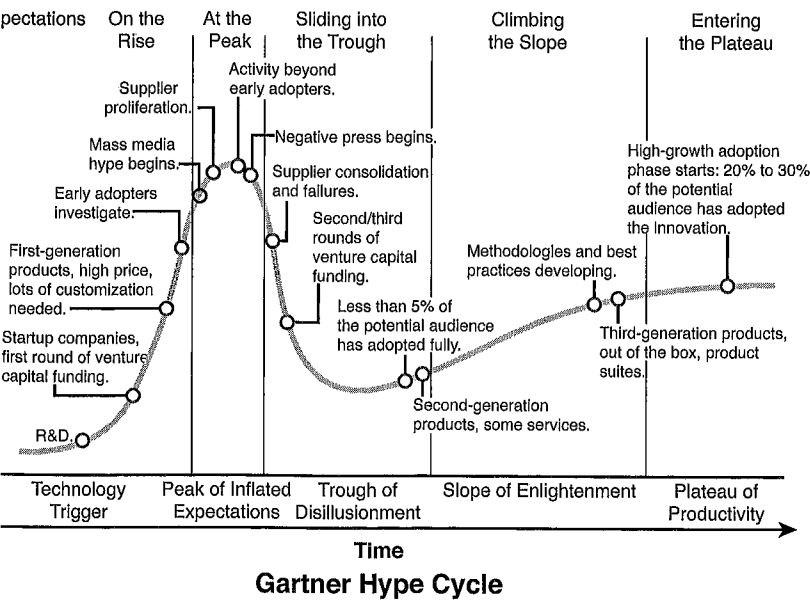


Figure 1.1 Gartner's Hype Cycle demonstrates the cycle of peak interest, followed by a dip in interest—the trough of disillusionment—followed next by the plateau of productivity. Source: Gartner's Hype Cycle Special Report for 2010, August 2010.

We think the first domino in the chain of events that brought social media into being as a communications channel, not just underground forums on nerd websites, was the publishing of *The Cluetrain Manifesto*,² the twenty-first century's 95 Theses nailed to Corporate America's door, declaring, "Markets are conversations." The proclamation in the 1999 work by Rick Levine, Christopher Locke, Doc Searls, and David Weinberger insisted that companies must join the customers in these conversations in order to survive. Consumers were sick and tired of being talked at. They wanted to be talked with.

Social media reached its peak of expectations in 2009 and early 2010. Facebook exploded into the hundreds of millions of members and early corporate social media adopters such as Dell began sharing sales data from social programs. Companies and their marketing managers worked themselves into a frenzy, trying to grab social media's reins and hang on for the ride.

Many of those marketers who were frothing at the bit dove into Facebook to sell their wares, blasted links to their websites on Twitter many times a day, and set their unwitting PR teams on blog comments to promote, promote, promote. They did it old school, with old school results: They got spanked.

Their return on investment was either nothing—or a public relations nightmare when bloggers called them out for spamming their comments with one-way, blast marketing messages.

Unfortunately, reality and the trough of disillusionment hit those marketers hard.

Turns out, *Cluetrain* was right. The marketplace has changed. Customers are in control, not the marketers.

You can't treat social media like TV, newspapers, or billboards. More is not better.

Maybe you see the trough of disillusionment not as the next step in the hype cycle of social media, but rather as the first indication that the fad is over.

You would be wrong.

Businesses that will succeed in their marketing efforts in the coming years have turned the corner—not their heads—toward the slope of enlightenment and are moving toward the plateau of productivity. While the "hype" is quieting, it is not because social media is a fad that is going away. It is because people using it are starting to see it for what it really is and can do and are using it that way. People who ignore social media because they think the fad is over are just treading water while their competition swims by them.

The businesses that will succeed are no longer saying, "I want a blog!" or "We need a Facebook page!" Instead, they're saying, "I want to engage my customers using social media strategically."

Just by purchasing this book, you've identified yourself as someone who is ready to look at social media as a real marketing tool with real potential to improve sales and profits.

Would it surprise you to learn that social media marketing, as we know it today, isn't just some surprising development spawned by tech startups and Gen Yers reeling after the dot-com bust of 2000? Would it shock you to know that the era of consumer-centric marketing began in the minds of traditional marketers in parallel with the information and technology explosion of the last decade?

Philip Kotler, author of more than a dozen books on marketing, discussed several interesting precursors to social media marketing in his 1999 book, *Kotler on Marketing: How to Create, Win, and Dominate Markets*.³

In a decade-old comparison of successful business practices, he shows a clear transition from "be product centered" to "be market and customer centered." He says:

"Old marketing thinking is, fortunately, now giving way to newer ways of thinking. Smart marketing companies are improving their customer knowledge, customer connection technologies, and understanding of customer economics. They are inviting customers to co-design the product. They are ready to make flexible marketing offerings. They are using more targeted media and integrating their marketing communications to deliver a consistent message through every customer contact. They are utilizing more technologies such as video-conferencing, sales automation, software, Internet web pages, and Intranets and Extranets. They are reachable seven days a week, twenty-four hours a day at their 1-800 customer telephone number or by e-mail. They are better able to identify the more profitable customers and to set up different levels of service. They see their distribution channels as being partners, not adversaries. In sum, they have found ways to deliver superior value to their customers."

In 1999, Kotler also predicted that by 2005, every product, even business-to-business offerings, would be available over the Internet and that retailers would have to find, "imaginative ways to exceed customer expectations."

This is what social media marketing is: Exceeding customer expectations, often but not always, in the online world, through human connection and relationship building.

Social media, then, is simply defined by the channels we use to achieve that. Blogs, social networks, podcasts, question-and-answer forums, email, and more are simply the strings between the tin cans that we use to communicate with our customers. The channel is social because the technology makes it easier.

Certainly, much of our focus is on the Internet and online tools to achieve this communication. But a bulletin board (the corkboard type with thumbtacks, not the online forum type) is also a social medium if your intent is to use it as such. Just post a question on the bulletin board for those passing by; provide a pen, note cards, and an envelope for folks to respond; then post those responses with your comments next to the question sheet tomorrow and you have social media.

Even a conversation with a group of people over lunch is a social medium. The key is understanding how to use a medium that is primarily social for marketing purposes.

The Problem with What Social Media Purists Preach

It's really kind of sad that social media marketing advice evolved the way it did. Social media enthusiasts in the mid-2000s interpreted and preached the principles of the *Cluetrain* with a vengeance.

Their themes included "talk with your customers, not at them," "engage your audience," and the ever-popular (and really annoying) "join the conversation!"

This last talking point even became the title of social media pioneer and agency entrepreneur Joseph Jaffe's book.

*Join the Conversation*⁴ did an excellent job of pounding the purist drum and pointing businesses down the road of changing their traditional ways to connect or reconnect with a dissatisfied consumer. But for all the talk of collaboration and community, the book only offered real-world case studies of companies that made marketing missteps, but never really talked about whether or not "conversational marketing" actually works.

Unfortunately, Jaffe's gaffe was the loudest song being sung by social media evangelists in the late 2000s. They would talk about the touchy-feely part—we call it the Kumbaya Effect—but they conveniently overlooked the other half of the equation: the bottom line.

To be fair, this was when social media marketing was just getting started, and the evangelist needed to spend a lot of time teaching businesspeople how to just listen to the new, connected customer. He or she didn't have time to focus on harder topics such as how to measure conversations or the ROI of social media.

The social media purists even had us convinced. In October 2008, Jason wrote a blog post on SocialMediaExplorer.com called "*What Is the ROI for Social Media?*" that still garners a fair amount of traffic and discussion. He wrote:

“The problem with trying to determine ROI for social media is you are trying to put numeric quantities around human interactions and conversations, which are not quantifiable.”

(This is the business equivalent of your kids finding photos of you wearing your favorite clothes 20 years ago.)

Thankfully, Jason’s opinions have evolved in the years since. His focus is now on social media measurement and monitoring for his clients, cutting out the purist’s bullshit and getting down to the business at hand.

Social business and technology analyst Jeremiah Owyang of The Altimeter Group confirmed that you can, in fact, measure social media and its return on investment:

“Human interactions can certainly be measured. You can measure time spent together, eye contact, words exchanged, sentiment, tone and body language. Now with the digital mediums like social, you can find attributes that also relate to those: time on site, words exchanged, sentiment and tone... but not body language.

“To truly measure ROI, the interactions and engagements in the social space have to be measured in one of the two following ways: 1) Specific actions have direct trackable activities that lead to generating a lead or transaction. This could be a unique URL, cookie or even registration code. Or 2) Track it post-purchase by asking questions right after or running a survey to all customers later.”

Owyang often cites his boss, Charlene Li, and her case study of defining the ROI of corporate blogging for General Motors and the GM Fastlane Blog.⁵ When Li was with Forrester Research, she helped devise a measurement system that included translating the number of unique blog readers to the cost of reaching the same number of people via a regular advertising channel. She then determined the time and financial costs of blogging to produce an “ROI of Blogging.”

But Asking About ROI Is Asking the Wrong Question

So measuring social media and its value to a business has been—and is being—done. But this notion of a return on investment (ROI) is bothersome. We don’t want you to think of social media marketing in terms of ROI. And no, we’re not contradicting ourselves. We want you to think in terms of what social media marketing *can do for your business*. Those are two distinct ideas.

Asking “what’s the ROI of social media” is pretty foolish. You should actually ignore the question...at first.

“What’s the ROI?” is a cop-out question asked by people who don’t understand all of what social media marketing can do for their business. It is also a financial metric, so asking that question implies that all you can get out of social media is money.

Social media consultant and author Scott Stratten once said during a speech, “The next time someone asks you about the ROI of Twitter, substitute Twitter with the word ‘talking.’”

“What’s the ROI of ‘talking?’” he asked. “How much money do you make with this new ‘talking’ business? I don’t understand why you’re ‘talking’ to customers all the time.”

Another social media author and public relations expert, David Meerman Scott, once shouted during a podcast interview, “What’s the ROI of your secretary?!” His point was that you don’t measure the ROI of the person who answers the phones at the front desk.

Although the three true business metrics—revenue, cost savings, and customer satisfaction—can certainly be affected by strong social media marketing, so can other areas of your business and marketing efforts. What if you want to enhance the awareness of your product? Do you measure that in dollars? No. Thus, ROI is often the wrong measure to apply.

Even if you are going to use social media marketing for a money-driven purpose, asking the ROI question first is out of order. You’re asking what the ROI of your social media marketing efforts is *before you ever get started*.

The smart approach to gauging your potential success in social media is first knowing what social media can do for your business. You then set goals within those expectations for your efforts. You can gauge an ROI, but only if your goal is financial success and you’ve implemented some activity toward those goals.

Now, this is not to say that social media should not be measured. It absolutely should. That’s how you’ll know it’s working. You should be measuring all of your marketing efforts, whether it’s a print ad, a TV commercial, a trade show, or a direct mail piece. But we’re willing to bet no one asked about the ROI of those things before you bought them. (We’re also willing to bet that a lot of people aren’t measuring them afterward either.)

If you ask the ROI of social media question before you ever get started, you’re setting yourself up for failure because you don’t know what you’re trying to measure.

The honest answer to the ROI question for your business before you start a social media marketing effort is, “I’m not sure. I can’t make any predictions or promises. I know what I’ve done for other companies, but every situation is different, and we won’t know how you’ll do until we try it.”

This brings us back to why you might ask the ROI question in the first place. People who do ask typically ask out of fear. If they can be assured that they'll succeed, they'll try it. Otherwise, it's "What's the ROI? How much money will we make? Can you guarantee our success?"

Those who ask these questions don't understand social media marketing isn't just about sales; it can also be about customer service and satisfaction, reputation protection, loyalty and advocacy building, research and development, and more.

And we're not going to play along with the social media hippies and tree huggers and say ROI should stand for something warm and fuzzy, like "return on interaction" or "return on innovation" or "return on conversation because we're really bad with acronyms." ROI is ROI and always will be.

What you might get out of social media marketing is specific results. Just like other areas of marketing and communications, they might be good...or they might be bad. But asking what they're going to be at the beginning of your journey is like asking the final score before the game starts.

Knowing what you can get out of social media marketing makes it much easier to determine your goals, set expected levels of accomplishment, and ultimately measure what you're getting out of it all. Again, we're *not* talking exclusively about measuring your return on investment (ROI). Yes, you will invest money in your social media marketing efforts, just like you would public relations, letterhead, or even the graphic design of your company brochures. Yes, you should expect to see a return on the money you spend, but you should focus the ROI metric on your whole marketing efforts. Trying to drill down an ROI on one piece is, as we've illustrated, sometimes illogical. (That letterhead ROI is tricky, isn't it?)

But, to paraphrase a common theme from social media measurement expert Katie Paine, "You're not always investing in a financial transaction, so you're not always going to get a financial result." There are times when your results will be intangible but still important and useful.

For example, if you're facing some negative news about a product recall, your goal should be to protect your brand's reputation. Your measure of success won't be an increase in sales or profits, but rather an increase in positive reputation indicators, a reduction of negative search results on Google, an improvement in positive search results, or a reduction of angry phone calls to customer service. Still, if you're using social media to drive sales, facilitate research and development, or even enhance customer service, you *can* track financial results that come from audience members you've cultivated through social activities, or even retention rates among the same crowd. These measures can certainly produce dollar figures on a spreadsheet that will make the "dollars-first" executives take note.

Seven Things Social Media Marketing Can Do for Your Business

It's vacation time. You load your family in the minivan, pull out of the driveway, and say, "Okay! Where are we going on vacation?" As you pull away from the house, you realize you didn't buy gas, book plane tickets, pack, study the map to know your route, make reservations at a hotel, or arrange for someone to feed the dog. Worst of all, you left without even knowing what your destination was.

That's what happens when you don't create goals for a business venture. Even something as simple as signing up for a single social network to do a few tests shouldn't be left to chance.

To understand what you're going to get out of anything, you first have to have goals just to measure whether your efforts are successful. If you don't, you're racing down the highway toward your unknown destination: You're lost, but you're making great time.

Starting with Chapter 5, "Make Some Noise: Social Media Marketing Aids in Branding and Awareness," we're going to dive deeply into the seven things social media marketing does for your business:

- Enhance branding and awareness
- Protect brand reputation
- Enhance public relations
- Build community
- Enhance customer service
- Facilitate research and development
- Drive leads and sales

In our experience, these seven areas cover just about everything you can expect your business to accomplish using social media marketing. And the three core business metrics—increasing sales, decreasing costs, and improving customer satisfaction—are built in to many of them, implicitly and sometimes explicitly.

The strategic approach to social media marketing is to review these seven areas, identify which are a good fit for your organizational goals, then map your goals, objectives, and, eventually, measures of success from there.

1. Enhance Branding and Awareness

The image of your product in the market. Its perception to others (and not you).

It is important to look at your brand from the eyes of your customers, partners, and

brand, you're going to have an extreme, one-sided perception of it. Negatives will be excused away; positives may be lauded louder than they should.

The marketplace's perception of your brand is far more accurate and indicative of your company's value. Social media marketing can build a more positive brand and increase the public's awareness of you.

Social media marketing can:

- Increase awareness of your brand.
- Increase the reach of your brand messaging.
- Increase online conversations about your brand.
- Increase consumer preference for your brand over competitors.
- Increase your brand's Q-Score, or online appeal and familiarity.
- Increase your brand's online conversational market share—the percentage of industry conversations mentioning you versus your competitors.

2. Protect Brand Reputation

Upholding a positive perception of the brand.

Though considered a subset of branding and awareness, protecting brand reputation is important enough to set aside as its own topic. Sometimes, you need to respond to a crisis, and no amount of marketing speak is going to save you. It is important for a company to listen to online conversations to mitigate any negative (and amplify any positive) claims or conversations. But doing so also protects the reputation of the brand in the eyes of the search engines.

Google doesn't rank your company first in keyword searches because you deserve it—or because you do good and wonderful things. It prioritizes search results it considers the most relevant based on the keywords entered in the search box and what kind of information is being discussed lately. That means, if a lot of people are angry about your company, their complaints are what will be found on Google.

If you want to be the top result for certain keywords, you have to earn it by optimizing your site and its content for search. Social media marketing can

- Increase positive online mentions and sentiment of the brand
- Decrease negative online mentions and sentiment of the brand
- Mitigate all negative online mentions of the brand

- Rank in the top-five search results on Google, Yahoo!, and Bing for targeted keywords

3. Enhance Public Relations

Building and maintaining relationships with various audiences, or publics, which reflect positively upon the company, organization, or person.

Social media is closely aligned with public relations because the platforms that make up its world are populated by the public. As companies develop strategies and tactics to communicate with their audiences, they look for mediums the audiences watch, read, or listen to. Social media platforms have become one of those mediums.

As a result, social media marketing has evolved as a convenient extension of public relations, incorporating elements of media relations, crisis communications, event planning, community relations, internal communications, and more. In fact, almost every facet of a traditional public relations program has some sort of translation into the online and social media world.

Social media marketing can

- Build and maintain relationships directly with customers and stakeholder groups
- Publicize organization initiatives through blogger and influencer outreach
- Improve the communications success of community or internal initiatives
- Facilitate critical crisis communications in often a more expedient fashion than traditional media
- Empower greater public participation than traditional approaches by removing a media filter between a company and its public

4. Build Community

Growing an audience of consumers (of product or content) to serve as an advocacy or word-of-mouth marketing channel.

This is sometimes considered the golden cow of the social media world. Building community ultimately makes a social media marketer's job easy. Community means loyal customers, raving fans, and product evangelists.

With loyal fans and advocates rushing to defend your company when it is criticized, or amplifying your new ideas and messages to the market, strong brand communities and their advocates move a brand into gold-standard territory. Think of Apple iPhone users, Moleskine notebook fans, or the Maker's Mark Ambassadors Club.

Whether cultivating that community through a robust, branded social network or just informally connecting enthusiasts with your company in loosely tied conversations, brands are doing it.

Social media marketing can

- Increase your number of fans, followers, friends, or readers
- Grow your opt-in email marketing list
- Increase the number of your affinity or loyalty club members
- Increase fan-generated advocacy and promotion of your brand initiatives
- Increase fan-generated defense of your brand in negative conversations

5. Enhance Customer Service

Facilitating customer needs through proactive and reactive communications (on- and offline).

Enhancing customer service is the most popular way of using social media marketing, perhaps because it is the easiest of the seven functions to fulfill. When all you have to do is ask “how can I help” to someone complaining on Twitter, customer service through social media can not only reduce the call center costs, but can also even boost word-of-mouth marketing.

Social media marketing can drive customer service in a few ways. Note the overlap with reputation protection. This is important because a lot of customer complaints can produce similar reputation results as a product crisis.

Social media marketing can

- Increase your customers' satisfaction levels
- Reduce your call center costs
- Increase positive online mentions and sentiment of your brand
- Decrease negative mentions and sentiment of your brand

6. Facilitate Research and Development

Idea generation, improvement creation, and market research.

Some companies have benefited greatly by getting ideas, complaints, and suggestions from their customers. This collaboration, sometimes called “open source” collaboration, enables the product development department to get new ideas and the marketing department to see what their customers need. Dell's IdeaStorm, a product and feature suggestion and voting site, is the most popular example of social media marketing as research and development (R&D).

If building community is the golden cow of social media marketing, facilitating research and development within that community is nirvana. By tapping into the vested interest and intelligence of your customers, fans, and even detractors, you can harvest ideas that lead to new products, product features, and even profits.

Social media marketing can

- Generate new product ideas for your company
- Improve your product features
- Improve your service lines
- Generate market research for your company
- Generate sales for your company from R&D activities

7. Drive Leads and Sales

Sales of products or services or leads which produce them.

Yes, social media marketing can drive leads and even sales. And no, it's not just some mystical, magical by-product of “joining the conversation.” You can prescribe goals and objectives around sales using social media. And you can measure them accordingly.

Social media marketing can

- Generate leads and sales from blog visitors
- Generate leads and sales from social channel interactions (Facebook, Twitter, etc.)
- Increase conversion rates
- Increase repeat and referral business

When You Add “Marketing,” It’s About Business

The formative years of social media marketing are behind us. This is not an exploratory time anymore. Social media professionals are helping businesses grow through emerging technologies. When you add the word *marketing* to *social media*, it’s about business. Draw that line to the bottom line, or go home.

A few years ago, the social media purists got the marketplace all hyped up about just that: hype. Let’s gather in a circle and sing, “Kumbaya,” with our beloved customers. Let’s “join the conversation” and “talk with, not at” them. Let’s “engage” and become a “social business.”

It sounds nice, in a very holding-hands-in-a-circle kind of way, but that can’t be all we do. We have to make money, or else we cease to have a profitable business.

Still, the tree huggers and hippies of the online world got half of the equation right. We do have to join the conversation. The new consumer requires us to engage and talk with, not at them. We can probably forego the “Kumbaya” circle, but turning traditional marketing around to focus on the consumer and not the brand is imperative for successful online marketing today.

So let us take that direction and do what we do best: Make social media about business.

Social media marketing becomes realistic, actionable, and measurable when you approach it strategically. That is, implement one or more of the seven things social media marketing can do for your business and do the following:

- Set goals your company wants to focus on
- Create measurable objectives within each that accomplish your goals
- Produce strategies or concepts to execute that accomplish your objectives
- Create tactics or tasks that accomplish your strategies or concepts
- Build measurement systems to evaluate the implementation of your plan

None of these five items are new to anyone who has taken a business or marketing course where strategic communication planning was covered. As Jason often says, “This ain’t rocket surgery.”

What seems to be difficult for most businesses is not thinking strategically, but rather remembering to do so. Today’s pace of business is frenetic at best. We’ve forgotten to focus, to ignore the shiny, new object and get stuff done. With the ever-changing world of technology and social media tools, it’s easy to—LOOK! A SQUIRREL!—be distracted by the new tool or strategy.

It’s hard to plan, launch a course of action, and stay the course while integrating market changes as they arise.

By grounding your social media marketing in a strategic approach—setting goals, measurable objectives, producing strategies, creating tactics or tasks, and measuring it all—you have a plan. Installing a measurement system for control and evaluation helps you execute the plan. And executing the plan is as easy as working backward: Accomplish the tasks or tactics that execute the strategies or concepts. Those meet the objectives, which then accomplish the goals.

What happens when you approach social media marketing strategically? You see past the hype and understand that social media marketing can be real. It can be actionable. It can be measured. You acknowledge and even embrace the Kumbaya philosophies of joining the conversation, building relationships, and talking with, not at, customers.

But you don’t stop there.

You view social media marketing through the eyes of your business and your customers. You see where you can provide value and where value can then return to your business.

And when all that happens, you lose your fear.

Again, it’s not hard to plan. It’s hard to remember, or make time, to plan. And execution is sometimes challenging, but it shouldn’t be hard.

This is, after all, just communicating.

Endnotes

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It's Not Them; It's You!

We hear all kinds of reasons from executives and business owners who don't think they should use social media marketing. It's a fad; it will give our customers a chance to complain about us; or our personal favorite, our customers aren't using social media.

*Gary Vaynerchuk said in his best-selling book, *Crush It*, "If you're not using Twitter because you're in the camp that thinks it's stupid, you're going to lose. It's as simple as that. It doesn't matter if you think it's stupid. It's free communication, and there's a crapload of users."*

The very real fact is that your customers are using social media platforms already. They are using them in staggering numbers. If your company is not using social media for marketing, to listen to your customers, and to aggregate valuable data, you're missing out on the biggest, most popular channel of communication there is.

In the spring of 2011, roughly 310 million people lived in the United States. Almost twice that many people had Facebook accounts.¹ And, according to Facebook, roughly 30% of its users are from the United States. That's 150 million U.S. Facebook users, which means nearly one in every two people you talk to today will likely have a Facebook account. An iStrategyLabs analysis of Facebook users in late 2010 showed 71% of U.S. web users are on Facebook.²

Are you ready to turn your back on half your audience?

"But our target audience just doesn't use Facebook," you say. Really?

No age group has less than 22.8% growth on Facebook over the last year. The fastest growing? 18- to 24-year-olds. The second-fastest? 55-plus.

But that's just one platform. The world of social media is far more vast:

- There are 200 million accounts on Twitter.
- There are more than 100 million users on LinkedIn.
- The average time spent on Twitter is 2 hours, 12 minutes per month.³
- The average age of Twitter users is 39.
- The average age of LinkedIn users is 44.⁴

According to the Pew Internet & American Life Project's fall 2010 tracking survey, 95% of all U.S. adults with a household income of \$75,000 or more use the Internet and own a cell phone. For those with an income of less than \$30,000, 57% use the Web while 75% have cell phones.

Comscore tells us four out of five web users visit a social networking site on at least a monthly basis.⁵ TNS Global Research's Digital Life survey shows 46% of global users visit a social networking site every day.⁶ Their findings go on to say that 29% of global users actively look for brands to interact with online. There are nearly 6.9 billion people in the world, so that's 2.41 billion people looking for brands like yours.

So, 29% of the global web population is actively looking to interact with brands through social networks and you're satisfied with your 0.2 to 0.3 average click-thru rate on a banner ad?⁷

And while we're at it, how about mobile marketing? The cell phone and smartphone devices account for five billion people worldwide.⁸ The International Telecommunications Union expects mobile devices accessing the web to surpass the access from desktop computers within five years. Why? So people can stay hyperconnected to their friends and family through social networks they access through mobile devices.

We could keep hurling statistics at you like a hyperactive 10-year-old in a snowball fight, but we won't. Suffice it to say, your customers are plugged in, turned on, and social media users. So why aren't you? Or what are you going to do now to capture their attention when it has shifted to more interactive and dynamic conversation-based websites?

Today's Consumer Is Different. You're Still the Same Old Dinosaur.

A lot of businesses we talk to are still relying on traditional marketing methods, focusing on TV and radio commercials, print ads, billboards, and trade shows. Thinking of social media as a marketing channel is laughable to them. As a result, they "get some social media," perhaps by starting a Facebook page or Twitter account where they just automate blog post promotions but then relegate it to such low priority that an intern is in charge of it. While the business owners are satisfied they "got some social media," the employee put *in charge of the marketing of the company* through this emerging channel is not a full-time employee nor well versed in communicating on behalf of the company. If the intern is lucky, he or she doesn't have to fight with IT or the compliance department to have access to social media sites from a work computer.

"Our customers aren't using social media," seems to be the common response from the executives of these companies.

"How do you know?" we ask.

"Well, because I don't use it."

Well, your customers are, and if companies waited until the CEO adopted technology before implementing its use, our best digital device would be the abacus. It's also unlikely your customers will tell you they want you to use social media to communicate with them. They'll just migrate to the competitors that are and you'll be left with your "I don't use it" CEO who is selling products to "I'm no longer using you" customers.

If a company is not using social media platforms, it has no way of knowing whether its customers are using it. Do you really believe your customers aren't? Go to Gist.com and upload your customer email list. That service will show you how many of those email addresses are connected to accounts on Twitter, Facebook, LinkedIn, and more. Trust us...more of your customers are using social media than you think.

Or you could just look at the broad use numbers:

- 77.3% of the people in the United States are on the Internet.⁹
- 65.8% of U.S. adults with an Internet connection use social media in some form or function.¹⁰
- 77.4% of all North Americans are online.¹¹
- 1.9 billion people are online worldwide.¹²

Think of the numbers for a minute: 77% of U.S. homes have Internet access and 65% of them are on a social network. That means 50.8% of the people in the United States are using social media.

That's half of your customer base, half of your vendors, and half of your competitors. And if social media use is that widespread, and even half of your competitors are already using it, that means they're reaching half of your customers on a channel you haven't even considered using.

Despite these numbers, a lot of executives and business owners still dismiss social media out of hand. They think it's a fad, that it's not important, or that it consists of websites full of only angry people who live in their parents' basements.

Target made this blunder by underestimating the blogosphere when it told a blogger it doesn't "participate in nontraditional media." The company realized the error when that same nontraditional media reared its ugly head and dropped a PR hammer on them.

In 2008, Amy Jussel, the founder of ShapingYouth.org, complained on her blog about a new ad campaign the retail giant had created, including a woman laying on a large Target emblem, arms and legs spread like she's making a snow angel. She believed "targeting crotches with a bull's-eye is not the message we should be putting out there." Jussel called Target's public relations team, asking for a comment or response to her questioning of the ad. A PR spokesperson wrote to Jussel and said, "Unfortunately we are unable to respond to your inquiry because Target does not participate with nontraditional media outlets. This practice is in place to allow us to focus on publications that reach our core guest."

What Target failed to realize is that their core guests—*people*—write blogs and read blogs.

Their "core guests" turned the discussion from whether the ad was sexually suggestive to whether Target hates social media practitioners. Many bloggers, even those with thousands of readers, began pounding Target with not-so-nice things written about them.

Target's readers were more than a little irritated with the retail giant, many of them promising never to shop there again. The public outcry was enough that a spokesperson said they would review the policy and consider adjusting it. Not only did they, but Target now even responds to public questions asked of the company on Twitter. Although it did not begin as a major shift in thinking, Target at least realized that blogging was fast shedding its "nontraditional media" skin and becoming a real source of news and opinion.

Your customers are using social media platforms, they're comparing notes about the products and services they buy, and they're discussing which ones they like the best. They're even talking about you. But the Internet is not a dictatorship and you aren't in control. This is why you hear the call to "participate in the conversation." You won't control it. But by participating, you can at least respond, be accountable, and hold others as such. Still, you need to understand a thing or two about control.

You Never Controlled Your Message

Another worry for a lot of executives, business owners, and the lawyers (especially the lawyers) is that if a company has a blog, Facebook page, or Twitter account, these platforms offer people the opportunity to say bad things about the company. Why open that door?

The door has been open for years. You just haven't been able to see what's on the other side. Twenty years ago, there were several million water coolers around the world. People were talking about you around a few of them. The difference today is that there's one, big water cooler with several million people around it...and you can hear what most of them are saying.

If you have a bad product, poor customer service, or lousy policies, customers are already saying bad things about you. They're complaining, telling their friends, or writing angry letters and have been for years. Thanks to technology, they can now complain on Facebook to several hundred friends, or write a blog post that's read by thousands.

It happened to Dell back in 2005, when journalist Jeff Jarvis wrote a blog post called "Dell lies. Dell sucks" on his BuzzMachine.com blog. Jarvis, the founder and creator of *Entertainment Weekly* and former TV critic for *TV Guide* and *People*, said later in an interview, "I learned some time ago that you can search Google for any brand, followed by the word 'sucks,' to find out how much ill will is attached."

Jarvis's post exploded. Dell was embarrassed. And when the company finally took note and offered to replace Jarvis's computer, the damage was done. He refused and purchased a Macintosh Powerbook.

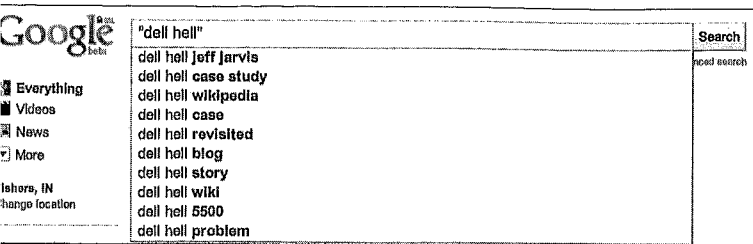


Figure 2.1 Dell had some serious reputation problems when the phrase “Dell hell” started gaining its own prominence in Google searches.

Clearly, it did not matter whether Dell had a social media presence or not; people were already saying bad things about the company. At first unaware of Jarvis’s post, Dell suffered badly. To its credit, Dell learned from the incident and now has one of the more robust, engaged, and successful social media presences of any company.

So people are going to complain, especially if you give them reason. Would it surprise you that we think the best place for them to do it is actually on your website or your company’s social media outposts? We’re not nuts. Here’s why.

If you can easily find the complaints on your site, you can respond to the complaint and fix the problem faster, respond to the customer, and share your response with other site visitors. This way, when someone else comes to the site and sees the complaint, they’ll also see that you fixed it as well. They’ll be more impressed that (1) you’re willing to admit a mistake, (2) you fixed it, and (3) you didn’t mind doing it out in the open.

People only have so much time and energy to complain. If they complain about you on your site—where you can easily see it—then they’re less likely to take the extra time to complain about you on another site you never even knew about. This way, you’re allowing people a chance to vent and complain, feel like they’ve been heard, and then go about their day.

Keep in mind this assumes you will actually respond to the person’s complaint and fix the problem. Don’t just put up a blog or place for people to complain if you don’t plan on doing anything about it. Companies that pretend to listen but don’t actually do anything about it will get a double whammy: people complaining about the company’s actions and then complaining about their inaction. Only now they’re likely to make it much more public.

If Social Media Can Help Overthrow a Government, What Will It Do to a Company?

In February 2011, the world got to see the power of social media when wielded by an unhappy public. The people of Egypt, fueled by messages posted on social

networks, protested the actions of President Hosni Mubarak, high unemployment, and rising prices. Protesters were sharing information via Facebook, Twitter, and YouTube, telling the world what was happening in their country.

As the protests grew, the government caught on and blacked out the Internet. The subsequent outrage made matters worse and Mubarak was forced out of power. Although protests have existed for centuries before social media, this time the social connectivity of the Internet played a significant role in helping topple an oppressive regime.

And although other governments who have dealt with protesters tried different techniques, like shutting off cell towers and community Wi-Fi networks, they have all tried shutting off two of the biggest communication networks in the world, all with similar degrees of success: none at all. Even when Egypt shut off the wireless Internet and cell networks throughout the country, activists fired up old dial-up modems to communicate with each other, as well as the outside world.

But there are lessons that business leaders can learn from these protests as they relate to social media and your customers.

- People are talking about your organization, whether you know it or not. In the protests, the governments were caught off guard because they didn’t know people were upset or trying to organize. They didn’t know what was happening until they looked out their windows and saw an angry crowd of people.

If customers are not happy, they’re not going to call your customer service department, send an angry fax, or write a postal letter. Some might, but still more of them will tell their friends on the biggest, most widely read channels of communication in the world.

- People will find a way to talk about you. Even though these different governments tried to shut off the Internet to quell the protests, people found a way around it. When they couldn’t access it through their Wi-Fi networks or mobile phones, they found other, sometimes older, ways to communicate.

It doesn’t matter whether you refuse to put up your own blog with a comments section, block those comments, get your legal department to write a nasty letter to some of the worst offenders, or ignore social media altogether. People will still find a way to talk about you. They may need to go outside the regular arena to do it, but they’ll find a way to air their grievances and make sure other people know about it.

- If you make enough people angry, you’ll be replaced.

When you don't address customers' needs or answer their questions—or if you don't give them a place to feel like they've been heard—they will oust you from their own buying habits. And in today's share-first environment online, they'll tell everyone they know, too.

It's Not About Being on Social; It's About Being Social

Using social media for business isn't just a matter of signing up for a couple of social media accounts, turning them over to your intern, and waiting for the electronic world to beat a path to your door. It didn't happen with your first fax machine, email system, or website, so it's not going to happen with your social media presence either.

If you build it, they will not come. You have to build it, tell everyone it's there, and then be there when they show up.

Using social media for business means actually using it. This is a communication device, which means people are expecting you to be there, to talk with them, to listen to them. They expect you to have conversations with them.

Remember, we told you that the hippies and tree huggers had half the equation right. Social media is about having conversations and engaging with your customers. But when you add the word *marketing to social media*, it becomes about business.

The world of social media is another marketing and communication channel, just like all the other channels you already use. The only difference is that this is a channel where the people aren't looking to be pitched, sold, or persuaded. In fact, many of them are purposefully avoiding a sales job. They want you to talk with them, to have relationships with them, and to listen to them.

Usually when an angry customer says she's telling all her friends never to patronize a company again, she'll tell a few people, and that will be the end of it. When Heather Armstrong does it, she tells a million people all at once.

Armstrong was famously fired in the mid-2000s for blogging. Her subsequent Internet fame led to an incredibly well-trafficked blog (Dooce.com). In 2009, Armstrong purchased a \$1,300 washing machine, which stopped working properly. After a repairman made several visits, none of which actually repaired the machine, she called a help line to no avail. While waiting on hold for the customer service rep's supervisor, she sent a tweet (a Twitter message) to more than one million followers: "So that you may not have to suffer like we have: DO NOT EVER BUY A MAYTAG. I repeat: OUR MAYTAG EXPERIENCE HAS BEEN A NIGHTMARE."

Three minutes later, she wrote, "Have I mentioned what a nightmare our experience was with Maytag?" She followed that with three more tweets that mentioned her displeasure with Maytag, calling them out by name.

She was contacted by a number of appliance stores, and then received a tweet from @WhirlpoolCorp, the Twitter account of Maytag parent company Whirlpool, asking for her phone number. The next day, she received a call from Whirlpool's headquarters, who sent out a new repairman, overnighted some parts, and the day after, she had a working washing machine.

Although some organizations would have ignored the Dooce Twitter account because she was a nontraditional media outlet, the fact is, she is able to reach 1.5 million people via Twitter and 300,000 people per day with her blog. There are TV shows that don't reach a few hundred thousand people at all. (CNBC barely gets 200,000 viewers in a single day.) Numbers like these are big enough that, in 2009, Forbes named her one of "The Most Influential Women in Media."

Maytag/Whirlpool was lucky because they monitored social media and knew there was a problem as soon as Armstrong tweeted it. But the damage she could have done to their reputation could have meant a significant loss in sales, and they never would have known why it happened. But the fact that they were present, using it, and listening to their customers saved them from serious reputation damage.

The lesson learned is that just having an account isn't good enough. It is only the first step. The follow-through is actively monitoring, participating in conversations, and making sure social media doesn't "Dooce" you.

From washing machines to television programming, participating in the conversation is proving fruitful for companies. Charles Miller and his team of e-communications responders at DirecTV seek out customer's concerns by monitoring a variety of social media sites. DirecTV is a huge company that serves millions of customers around the world. Their U.S. operation serves several million customers alone.

When an avid sports fan tweets a complaint that the big game isn't on a certain channel as advertised, Miller and crew spring into action, routing the issue to the broadcast department to see if there's an issue. This happened in September of 2009 when a user complained about the ESPN reception for a Georgia Tech versus Clemson football game. Within a few minutes, the official DirecTV Twitter account responded with assurance they were working on the issue and instructions to watch the regular resolution on a different channel.

An hour later, the official account told fans the high-definition channel was restored and they could switch back. The resulting tweets showed appreciation and cheers for DirecTV, not dissatisfaction that there was an issue in the first place.

What DirecTV did is not just sign up for an account, but monitor it, use it to participate in conversations with customers, and, ultimately, be social.

Baltimore's 1st Mariner Bank is another example of a brand being social, not just using social media. Whether you look at its Twitter account (@1stMarinerBank) or Facebook page (www.facebook.com/1stMarinerBank), you see helpful posts about managing your finances, links to interesting articles and events that affect the Baltimore area, and back-and-forth conversations with followers and fans. If customer service issues arise, they're quickly routed to private channels (financial industry regulations and privacy concerns keep users as well as the bank from discussing much publicly), but the institution uses its accounts to primarily be social.

They share good content and engage in conversations.

Social media marketing is about being social with a purpose. It means listening to what your customers are saying. Listening to what they're complaining about, and then fixing it; listening to what they're asking, and then answering it; listening to what they're happy about, and then thanking them; and listening to what they're telling their friends about, and then rewarding them when appropriate.

Of course, that does mean letting go and letting your employees talk to your customers—even if it's just a few members of your marketing or PR team. By now you know your customers can and will talk about you. So, you need to let your employees talk with those customers to keep them happy.

If You Don't Trust Your Employees, You Hired the Wrong People

A lot of companies don't feel they can trust employees to use social media tools and communicate with customers. The excuse we often hear from executives is, "We need to ensure we stay on message." The real reason, however, is that these companies just don't trust their employees. (Some companies actually say this outright.)

If your employees can't be trusted to pick up the phone and talk to customers, if they can't field a question from a customer who walks into your store, if they will likely sneak and play Angry Birds or send personal messages to family and friends if given access to Facebook at the office, then you're right. You can't trust them to talk to customers online.

But if those scenarios are true, you've hired bad employees.

By saying you don't trust your employees to communicate with your public, you're essentially saying you hired people who will put out bad or incorrect information, or won't communicate to your customers properly. If, however, if you trust employees to answer customer service calls and give them the ability to accept returns, give

credits, and speak on the company's behalf, then you can trust them to talk to customers online. These employees make decisions that can affect the company's bottom line every day. You're trusting them to provide good customer service to create repeat customers.

You trust your salespeople to speak to your customers without you. You trust them to go to meetings and represent your company in the best possible light, and to do everything they can to get the sale without giving away profit margin. You don't go on all the sales calls with them, watching over their shoulders as they give their presentations, negotiate the best possible terms, and approve every detail and decimal. Your salespeople are directly responsible for your bottom line. Their successes and failures mean you either have a great year or a bad year. The better they do, the better the company does. So you provide them with the tools to get the job done and to be as successful as they can be.

You trust the people you hired to count and spend your money. You trust the people you hired to write sales brochures and organize trade shows. You even trust the people you hired to produce your product, put it in a box, and stick it on a truck.

But while most companies trust these employees, they don't trust those same employees to write 350 words three times a week on a platform where errors are easily fixed. They don't trust people to send Twitter messages that are 140 characters long. They don't trust people to keep an eye out for Facebook messages about your company.

They're thinking about it the wrong way.

Tony Hsieh is the CEO of shoe and apparel company Zappos. His company has sold shoes online since 2000. It's not a big deal because a lot of people sell shoes online and in stores. But as the technology became available, Hsieh trusted his employees to write blog posts and to tweet about life at Zappos.

They didn't have to run anything through legal; they didn't have to have anyone check everything over first. They just did it. They tweeted and blogged about everything in the company—co-workers, projects, customers, big deals, bad days—and provided some excellent customer service to boot. They used customer service phone calls, blogging, and Twitter to build deeper emotional connections with their customers. They communicated with their customers, rather than hammering them with a steady barrage of commercial messages.

Within eight years of launching the company, they were selling \$1 billion worth of shoes and apparel online, two years before their initial projections. The following November, Hsieh sold Zappos to Amazon for \$928 million in a stock exchange.

Maybe it's just a coincidence, but a company that trusted its employees to communicate with its customers over the phone and through social media was selling

\$1 billion worth of shoes eight years after they started and sold for 93% of that total the year after.

Letting employees communicate freely goes against the grain of a lot of corporate types because they're used to controlling every message, but we've already established you're not controlling customer service reps' responses or salespeople or company presentations. (You're certainly not controlling whether your customers are talking about you.) You need to give your staff the same amount of trust to communicate online.

We're not saying you need to allow all of your employees the chance to be official or unofficial company representatives on social media sites. We know there are some employees who, when they miss a day of work, things go more smoothly. However, you also have those employees who are outstanding, trustworthy, and true ambassadors for your organization.

These employees are your social media opportunity waiting to happen. You can create guidelines and policies to give them parameters for online communications, but don't be afraid of your own best evangelists. Plug them in and turn them on.

But don't let other departments stand in their way.

Don't Blame It on IT, Compliance, or Legal

Surprisingly enough, when a company does say they'd rather not dive into social media marketing, the decision is inevitably made by a department other than marketing. In our experience, it's usually the people from the legal department, compliance, or IT.

This isn't a rant about tattletales and sticklers. We respect and embrace the role of each of these business units. Typically, when they raise objections about social media marketing or your company's Internet plans, they're only looking out for the best interests of the organization. Lawyers are supposed to minimize risk. Compliance is supposed to ensure regulations and rules are followed to keep the company out of trouble. IT is often on the lookout for security and technical breaches that can adversely affect how the company's infrastructure works.

But there are times when the overprotective parent says "no" because that's an easier answer than "yes." Saying "yes" means having to account for new policies, new procedures, and new checks and balances. It brings about change, which many people are resistant to.

The "no" is often followed by justifications like network security, governmental regulations about privacy, privileged information, trade secrets, financial regulations, or anything else they're paid to worry about.

There's a very easy way your company can avoid violating privileged information/secrets/regulations through social media:

Don't violate privileged information/secrets/regulations through social media!

As flippant as that sounds, it is that easy. Think of all the ways we can't violate secrets and privilege now. We can't share private information on the phone with a friend, email it to our spouse, or fax it to a former co-worker. And we can't tell anyone in person.

The same rules and laws still apply to the Internet and social media because it's just one more communication tool. You talk to people, they talk back. You share information, they receive it. Regardless of the communication channel, you know not to violate that secret information. Social media activity does not suddenly render people stupid or oblivious. Social media doesn't trick people; it doesn't lull us into a false sense of security. We don't violate privilege or trade secrets just because we have a new way to talk to people.

The best social media policy writing is typically done by adding the words "online and offline" to strategic places in the company code of conduct or ethics. You have these privacy and proprietary information clauses incorporated into employee communications...or you should. Simply clarify that the policy also applies online.

Social Media Doesn't Violate Company Policy. People Violate Company Policy.

If you trust your employees not to violate privileged information/secrets/regulations with the other forms of communication already in your office, then you should trust them not to violate these same rules on social networking. Let them exercise the same judgment you hired them for, rather than hindering them by letting someone who doesn't understand marketing—legal, compliance, and IT—tell them what they can and can't do. After all, marketing doesn't ask to edit legal briefs or maintain software and network updates.

Please know that we're not just trying to sell you a bill of goods. There are times when employees mess up, say the wrong thing on Twitter, share information they shouldn't have in the comments of a blog post, and more. But Twitter, blogging, and social media aren't the cause. They're the channel. The employee violated the policy. And he or she didn't need the Internet to do so.

When an employee of New Media Strategies, then social media agency of record for Chrysler, popped off on Twitter about the bad drivers in Detroit in the spring of 2011, he or she did so using an expletive and accidentally posted the tweet on Chrysler's account, not his or her own. According to media reports, New Media Strategies fired the employee, and Chrysler fired the social media agency.

But the incident was an isolated incident. Chalk it up to human error, but know that human error will happen. The last time an employee of your company shared private information with an inappropriate party or mouthed off about his or her supervisor within earshot of someone else in the office, it wasn't because of his or her cell phone. And if it ever happens online, it will not be Twitter's fault, or Facebook's, or your blog's. It will be human error, which you account for with strong company policies and education (see Chapter 12, "Remedy Your Fears with Sound Policy").

So What Can You Do with Social Media?

Even though social media is often seen as something only for twentysomethings, or a tool for socializing with friends and talking about what you had for breakfast (that's not actually what most people use it for), a lot of businesspeople are discovering that social media is a great benefit to themselves and their companies. Social media becomes very powerful when used tactically as well as strategically...when you add the world "marketing" to "social media."

You can catch or outpace the competition. Your competitors are likely already using social media to talk to *your* customers. While your sales staff is still cold calling and attending the one big trade show every year, your competitors are connecting with their customers, and yours. By joining the social media world and listening to the conversations around your company, and even your competitors, you can make those same connections.

You can grow individual or company thought leadership fast. It no longer takes years to grow a reputation in an industry through conferences, trade shows, and the trade journals or mainstream media. Now, a reputation can be grown in just a few months of purposed social media activity. By writing an industry blog, connecting with like-minded people on networks like Twitter and LinkedIn, and participating in online discussions, people can establish their expertise in short order. Social media lets people find a public forum to share their knowledge, educating and building trust along the way.

You can harvest intelligence about your industry. Some of the early social media adopters in any industry have been in trade media. They're always looking for a way to grow their readership and reduce their costs, to maintain their expertise and credibility, and to grow with the times. Even the animal production industry, an industry not known for its rapid acceptance of change, has made this move, with the biggest trade media group, Watt Agriculture, going digital in the last few years. Not only do they publish their magazines online, they blog, and they sponsor and moderate a social network for people who work in the animal industry.

The net result is that Watt Agriculture can deliver its magazine to more readers while reducing printing costs. It can not only monitor the discussions readers are having, but also participate in them. It can discover new ideas and information for future stories and further solidify its own reputation as a thought leader and expert in the industry. The ultimate payoff for Watt is more people turning to it for trusted information, largely through paid subscriptions.

You can build your network for business purposes, or tap it again. Whether it's an old friend from college or former co-workers from a job you held 15 years ago, social media makes it incredibly easy to find and reconnect with people from your past. Jason ran into an old high school friend on Twitter. It just so happened that old friend oversaw the public relations account for a major U.S. auto maker. Jason has worked with said auto maker since. Social media also facilitates a more efficient method of connecting and growing relationships with people you meet and connect with at conferences, networking events, and other business or social functions. Professional relationships blossom more readily with top-of-mind awareness. Seeing your name and status updates in that important prospect's LinkedIn stream each day positions you better for the sale.

The Ball Is in Your Court

Social media has become one of, if not the preferred method of communications for today's consumers. They're not picking up the phone as much. They're not visiting your corporate website as much. They're not paying a visit to your location as much.

They're turning to online communities, social networks, and ratings and reviews sites to learn about products and services. But they're not learning from the companies that provide them, but from other users just like them who have bought and tried them.

You can let them go there and find out about you from someone else. You can ignore the online conversation and assume that everyone on social media sites is akin to the petty, anonymous trolls who comment on the local newspaper's website.

Nothing is stopping you...yet.

But in the coming years, and perhaps even months, your market share is likely to dwindle. Your marketing will steadily become less and less effective. Public perception of your company will decline. Customer service issues will too, but not because you're doing a great job of keeping customers happy—because you're doing a bad job of keeping customers at all.

You can be a manager...risk averse and skeptical of that which you don't know.

Or you can be a leader...willing to push change, not fear it; a driver of innovation, not a passenger in someone else's ride.

You can listen to what customers—yours and your competition's—are saying about their needs and adapt to meet them. You can build relationships and trust with consumers over time, making them loyal to you and stakeholders in your success. You can focus on the lifetime value of a customer, not the short-term dollar amount of his or her next purchase.

You can join your stakeholders in conversations and even collaborate with them to create new products, services, or shared value for the greater good.

You can join social media sites *and* be social there.

But you better do it quick. Because although the world of social media marketing is relatively new, it's not right off the assembly line. Your competition is considering social media marketing as well. In fact, they may already have a head start.

Endnotes

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3

Your Competition May Have Already Kicked Your Ass

Look out the window. Do you see your competitor peering in? Do you see the dozens of people chatting with their sales representatives in the streets right under your nose? Do you see the person walking up to your door only to be intercepted by a friendly passerby from your competition's support team?

If your company is not using social media for marketing purposes, this very scenario is happening under your nose right now.

You might not be blogging, chatting up fans on Facebook, or soliciting new product ideas from anyone and everyone in a public forum like MyStarbucksIdea.com, but the other guy is still peering in your window.