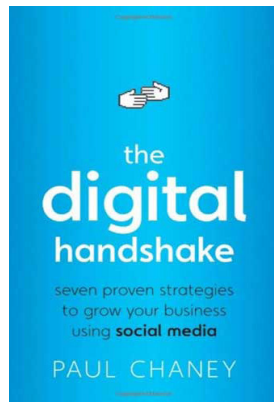


BUSINESS SUMMARIES

knowledge | best practices | innovation



The Digital Handshake

Seven Proven Strategies to Grow Your Business Using Social Media

Paul Chaney

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the big idea

In *The Digital Handshake*, Paul Chaney discusses the change that social media demands from traditional marketing strategies. According to Chaney, a successful marketing campaign needs to take several aspects into consideration:

- Traditional marketing strategies no longer work. Consumer's have grown distrustful of traditional advertising, and they now rely on their peers for product reviews.
- Companies need to patrol their online reputations. Today, "Online Reputation Management," or ORM, exists to help businesses patrol and understand what is being said about them online.
- Social networks are the best places to interact with potential and current customers. Social networks should be used to gain friends and influence people about the company.
- A company must use search engine technology to its advantage. The more links, videos, and content a website has on its page, the more prominently it will be displayed in search results.

the author/s

Paul Chaney is the Internet marketing director for Bizzuka, a web content management software company. He is also president of the International Blogging and New Media Association, a non-profit trade organization focused on developing new media as an industry. He co-authored “Realty Blogging: Build Your Brand and Outsmart Your Competition” and has been a feature writer for Practical Ecommerce magazine, discussing the utilization of blogs and social media for marketing benefits.

book features

Reading Time: 6-8 hours, 223 pages

The Digital Handshake offers a detailed guide to the realm of social media. This book is beneficial to both large- and small-business executives who would like to expand their marketing into online social networks. While some of the topics, such as Facebook, are well known to most of today’s business leaders, Paul Chaney explains how to use many online tools that most executives may not be familiar with, such as RSS feeds and podcasts.

Throughout the book, Chaney cites examples of both small and large businesses that have benefited from incorporating social media into their marketing strategies. The book should be read cover-to-cover, as many of the devices and online resources explained early on in the book are needed to understand later topics.

nutshell

INTRODUCTION

Social media has grown exponentially in the past ten years, gaining prominence not only as a social tool but as a marketing tool as well. In *The Digital Handshake*, Paul Chaney discusses the change that social media demands from traditional marketing strategies. According to Chaney, interruptive marketing is simply not effective with Internet audiences. Instead, the key to successful marketing is focusing on target audiences and connecting with them in their social networks and niche online communities. After gaining their trust and respect, the company can proceed to explain the services it has to offer.

Chaney describes in depth the many different types of social media that exist today and how to best utilize them to fit different business models. From large corporations to small businesses, Chaney demonstrates how effectively utilizing social media can raise profits, spread positive knowledge about a company, and create a meaningful and lasting relationship between a business and its customers.

WHY TRADITIONAL MARKETING DOESN'T WORK

In 1965, the number of people who could recall an ad from a television show they had just watched was 35 percent. Today, that statistic is less than 10 percent. One reason for this is that the number of advertisements has increased exponentially in recent years. This can be attributed to the way media has expanded over the past several decades. There used to only be a handful of television stations and about 4,400 radio stations; today, the average household has access to more than 80 television stations and more than 17,000 radio stations.

These figures do not even take into account the growing number of advertisements seen online, in public transportation, and on billboards (among others). Consumers therefore have less time to process more information, and as a result, they have grown adept at filtering out the information that is low on their priority lists – such as advertisements.

According to Chaney, traditional advertising is interruptive. Advertisements appear in the middle of a consumer's favorite TV show or right before a theatrical film begins. Given today's available technologies, however, interruptive advertising is no longer guaranteed to reach to the consumer. DVRs and TiVo allow consumers to record their favorite shows and view them at a later date, giving them the power to fast-forward through commercials. In addition, most car stereos are now equipped with an mp3 plugin, so people can bypass the need to listen to the radio at all.

The modern consumer has also grown weary of traditional “command-and-control” marketing strategies. In command-and-control marketing, a company simply tells the consumer to go out and purchase their product – one good example is Nike's “Just do it” campaign. However, purchasing a product that was guaranteed to provide excellent services, only to discover that the advertisements were false or inaccurate, will quickly sour the image of the product and advertisements in the consumer's mind. This is a common consumer experience, and it is a fundamental element of the distrust consumers now feel toward “command-and-control” marketing strategies.

In light of this mounting distrust, consumers have begun turning to each other for advice and reviews of purchases and product quality. Today, 67 percent of goods are sold as a result of word of mouth, and consumers are more likely to trust “normal people like me” by a 3-to-1 margin. People want to hear about a product's reliability from their peers, not from a scripted advertisement on their television or billboard. Most companies' marketing strategies fail to connect with consumers at a human level, however. Instead, they are beleaguering consumers with a seemingly endless amount of artificial and disingenuous advertisements.

COMPANIES NEED TO PATROL THEIR ONLINE REPUTATION

The Internet is a quick and efficient way to communicate information, and many consumers are using it to voice their concerns about faulty products and poor customer service. Hundreds of websites exist solely to review products and services, and review sites show up prominently on search engine results. Those websites, coupled with the large number of video sites, can severely affect sales if a company's services or products are shown to be sub par – 76 percent of customers use online reviews when making purchases. The marketing message is no longer in the hands of the advertisers; it is in the hands of the consumer.

Chaney cites the case of Dell computers as a prime example. In June 2005, media blogger Jeff Jarvis posted a complaint about the quality of the Dell computer he had just purchased and the terrible customer service he had received. This single blog post started a huge media firestorm as hundreds of other consumers commented that they too experienced trouble with Dell's products and customer service. Then, in 2006, a Dell computer caught fire during a presentation as a result of a faulty battery. This resulted in millions of the batteries being recalled. The mainstream media had been covering the problems with Dell, and in 2006, at least 50 percent of online communication about Dell was negative.

Dell was able to turn this around by policing blogs and message boards for Dell-related issues and then offering help and suggestions to consumers who were having difficulties with their products. In 2006, Dell started its own blog, and in 2007 it launched a website dedicated to consumers' suggestions about how Dell could better serve them. In 2008, Dell started its own Twitter stream to join conversations about the company and offer help to those posting on Twitter about their problems. Due to its increased effort, Dell decreased the amount of negative online conversations to about 25 percent by 2009.

HOW TO PATROL A COMPANY'S ONLINE REPUTATION

If Dell had been patrolling its online reputation in the first place, the situation may not have gotten so out of hand. Businesses must monitor their online reputations so they will be aware of a potential crisis before it hits the airwaves. They will also know where conversations about the company are taking place (e.g., Twitter, Facebook, or blogs), and they can identify who the important online community influencers.

Today, an industry called “Online Reputation Management,” or ORM, exists to help businesses patrol and understand what is being said about them online. There are three things to measure when conducting ORM.

1. **Share of voice:** how much people are talking about the business. Many businesses find that nobody is talking about them at all, which is almost as bad as having only negative things said about them.
2. **Tone of voice:** whether the online conversation about the company is mostly positive or negative. If the tone is mostly negative, then the company needs to do something to fix it – for example, the company could respond online to the customer’s complaints and offer help or a solution to the problem. If someone is spreading misinformation about the company, then someone within the company needs to respond politely and correct the misinformation.
3. **Trends over time:** the above measurements over an elapsed amount of time to see if, how, and why public relations, marketing, and advertising strategies have improved the company’s online reputation.

There are two ways to use ORM. You can do it yourself with the aid of free online programming, or you can hire a professional ORM company to do it for you. If you are a small business, doing it yourself is an option with tools like Google Reader and Bloglines. Businesses can use Google Reader and Bloglines to subscribe to specific RSS feeds from websites such as Google News Alerts, Twitter search, and Google Blogsearch. Google Reader and Bloglines are free of charge.

When a business is patrolling its online reputation, it should also keep an eye out for the number of visits to its website. It can monitor the average total time users spend on its website, the bounce rate (users viewing only a single page of the website before leaving), the number of search engine entries, and its search ranking. If the company has set up a social media profile, it should keep track of Twitter retweets, blog-to-comment ratio, the number of RSS feed subscribers, and the number of times its blog or profile has been bookmarked. Businesses can also use websites such as Tweetscan and Twemes to scan through Twitter conversations relevant to their company.

Both larger corporations and smaller business can hire a professional service to do their ORM for them. One low-cost option for small businesses is Trackur. However, it does not have advanced features such as sentiment analysis. Another option is Brandseye, which has a specific tool to scan the Internet for mentions of a company's name. As for midlevel cost options, BuzzGain can determine influential online voices, and ScoutLabs has advanced tools such as sentiment analysis, trend tracking, and persistent searches. One high-cost option is Techrigy, which has a database of more than one billion conversations dating back to 2007. Another high-cost option is Radian6, the most popular of the ORM companies. It is geared toward public relations, marketing, and customer support professionals.

After listening and observing what consumers are saying online and on which sites, businesses need to decide who their audience is and where their online focus should be placed.

SOCIAL NETWORK ETIQUETTE

Facebook, LinkedIn, and Twitter are the three most important and most popular social networks online. There are also many smaller, more specified social networks that may be of use to a company. These include BusinessWeek, Business.com, Best of the Web, Practical Ecommerce, and AboutUs.

Leads can come from anywhere at any time, and a business will look more credible if a search result returns with many different pages about the company. Businesses should put a large amount of effort into creating and maintaining their user profiles on the social networks they join. In addition, it is important to perfect a business's user profile; one of the most significant social-networking blunders is to contact someone within the network without having first completed your own profile. It is a dead giveaway that the company has little online experience, and that can destroy the company's credibility.

The same basic principles of business networking apply to online social networking. The business's avatar, or profile picture, should be of the company representative dressed in a business suit or in casual business attire. The representative should work the room by leaving comments, links, and videos (where appropriate and useful) on the pages the business is targeting. Instead of giving a prospective client a business card, the representative should "friend" the user or add them as a "contact," depending on which social network they are using.

Social networks should be used to gain friends and influence people about the company. It should be done in that order – users are weary of spammers and marketers. Representatives should not give a business pitch immediately upon "friending" someone; they need to earn the trust and respect of the contact by expressing genuine interest in them, commenting in terms of the contact's interests, and making the contact feel important. The representative should make it a point to be accessible and generate conversations that others within the social network can participate in. Once a representative gains the trust of the new contact, then it is time to discuss the company and how it can help the new contact. The formula for success in social media networks is as follows:

Stranger → Connect → Converse → Friend → Client/Customer

HOW FACEBOOK WORKS

Facebook originally began as a social network intended for college students, but in February 2009 it opened its membership to include anyone 13 and older. A 2009 study revealed that 45 percent of Facebook's U.S. members were 26 years of age or older, with the fastest-growing age group being 26 to 34 years old. Facebook continues to be popular with its original college base, so it is a good social network to use if you are aiming for a broader age spectrum.

Facebook maintains a "business casual" attitude because it allows the company and its representatives to show some of their personal sides in addition to their business sides. It also has a large platform that allows businesses to make a deeper, more personal connection with fellow users. It is free to set up and maintain a profile, yet Facebook is one of the most highly trafficked sites online, which can help a business's profile turn up prominently in search results.

To get started with Facebook, the business needs to create a public profile. There is a public profile option created specifically for businesses that allows non-business users to add themselves as "fans" of the business. The business can then send updates to fans via its Facebook profile. There is no restriction to the number of fans that a business's public profile can have.

Facebook offers several different tools for businesses to use once they have created a profile. There is a Facebook Group tool, which allows any user to create a group based on an affinity or geographic location. This can be a useful supplement for a business profile, but it should not replace the profile itself. It is a useful tool for finding potential customers and connecting with them. For example, a company that sells fishing equipment may want to create a fishing Facebook Group in order to seek out potential customers. The company can invite people to join the group, or users can request to join the group themselves.

Another Facebook tool is Facebook Events. This allows businesses to create invitations and invite other users to an upcoming event or activity. Non-profits could use Facebook Events to let users know about an upcoming fundraiser, while B2B companies could use it to invite people to upcoming workshops. The event is displayed in the newsfeed of all the business's fans, so knowledge of the event can spread very quickly.

Facebook also offers Ads. This allows companies to post their advertisements in banners on the sides of the Facebook page. Businesses can include Social Actions with the Ads, which are testimonials by Facebook users relating to the advertisement. This feature displays the profile of the endorsing user next to the Ad, so its usefulness hinges on the user who is providing the testimonial. Facebook Ads may not be the best investment, since the click-through rate is 0.08 percent.

One of the largest components of Facebook is its collection of Facebook Apps. Apps are applications created by third-party developers; they include games ranging from places users have traveled to the books they have read. For the most part, Facebook Apps are geared toward non-business Facebook users. However, there is an emerging strain of App called "appvertisements," which have incorporated brand marketing into their function. Companies like Buddy Media create these appvertisements for companies and have experienced a significant amount of success with their usage. Users spend an average of 2 minutes, 35 seconds per visit using the branded application, which is 75 times longer than Facebook users spend interacting with traditional Facebook Ads, such as banner marketing.

Facebook also offers a division called Lexicon, which allows businesses to track and compare trends within the Facebook network. The user inputs one or two words, and Lexicon analyzes all wall posts. It returns a series of graphs and charts showing the results of the query.

Another aspect of Facebook is Facebook Share. This consists of a hyperlink that a business attaches to its website or blog. Facebook users can then post a link to the business' website/blog on their own Facebook wall.

One of the most convenient aspects of Facebook is a newer tool called Facebook Connect. Facebook Connect allows Facebook users to sign into other websites using their Facebook profile, which eliminates the need to create new profiles for different websites. It also allows users to quickly and easily share information from sites with their Facebook friends by posting it to their own Facebook profile. Because Facebook Connect gives third-party sites a marketing channel to the millions of people using Facebook, it can be a valuable business tool. Integrating Facebook Connect into a business's website requires knowledge of HTML and web programming, but it can be done easily with the many Facebook application developers that are available in today's social media marketplace.

HOW TO USE LINKEDIN

LinkedIn is an online social network aimed specifically at business professionals. Having a profile on LinkedIn gives a business a degree of credibility, and the profile itself requires minimal upkeep and is free of charge. LinkedIn is designed to be a social network where businesses can find, get to know, and collaborate with professionals who can help them accomplish their business's goals. LinkedIn is not as conversational as Facebook, but it presents a more professional, job-friendly portrait of its users. Businesses can set up a profile on LinkedIn, as can employees of the business, who can then link their profiles back to the business's LinkedIn page.

Creating a profile on LinkedIn requires entering the business professional's employment history, expertise, and professional accomplishments. LinkedIn profiles are very similar to online resumes. Once the user has finished creating his profile, he should add contacts by searching for co-workers, users within his specific industry, and potential clients. LinkedIn will then display the user's first-tier connections, the users they are connected to, and so on.

When businesses use LinkedIn to generate leads and connect with others in their industry, they should not begin by pitching their company. Although LinkedIn has a more professional atmosphere, it is still a social networking

site and businesses need to make personal connections first. Users need to be genuine, expressing sincere interest in learning from others and offering help to those who may need it. Once the user has established a personal connection, it is appropriate to make a business pitch or explain how their company may be able to help.

Companies seeking a better understanding of LinkedIn should visit Linked Intelligence, a blog that contains a comprehensive list of everything there is to know and do on LinkedIn. This includes business development and sales, job search and employment, and career management and personal branding.

TWITTER AND MICROBLOGGING

Microblogging is a form of social media that allows users to post brief text updates, usually containing 140 characters or less. Twitter is the most popular form of microblogging, and it is the most informal of the three most popular social networks. Twitter originally started out as an SMS (text messaging) tool – hence the 140 character limit. More and more users turned off the SMS option, however, because as the amount of Twitter users they followed grew, so did the number of text messages on their phone. Due to Twitter's massive size, the SMS messaging feature has now been shut off, though the site retains the 140 character post limitation.

Twitter allows businesses to casually interact with thousands of users and potential customers. While many think of Twitter as a personal social device, it can be a highly influential tool for large or small businesses. A recent survey indicated that 89 percent of Twitter users agree that businesses should engage their customers on Twitter.

There are many ways for businesses to utilize Twitter; some key techniques are to:

- Network with others in the business industry or community.
- Keep in touch with customers and potential clients.

- Monitor what is being said about the company, products, services, industry, and competition.
- Gather valuable feedback about products and services.
- Promote events, products, and services.
- Offer proactive customer service.
- Drive traffic to the company's website or blog.
- Share helpful content, such as articles or blog posts.
- Find answers and get advice.

To use Twitter, businesses must first create a profile. While the Twitter profile is not as prominently displayed as it is on Facebook and LinkedIn, it is still important to complete it with all the necessary information. This may include a link to the company's website or blog, as well as an avatar or profile picture. After creating a profile, users can then post, or "tweet," an entry of 140 characters or less. Other users can respond and comment on the tweet, or "retweet" the user's original post. Retweeting essentially copies the original tweet and posts it on the other user's Twitter stream, automatically labeling it as a retweet so that other users can see where the original tweet came from. There is no time limit on when users can comment or respond to other users' tweets, so it is similar to an open instant messaging conversation; any one of a user's contacts can join in at any time. Twitter also has a direct messaging feature that allows users to send private messages directly to each other, without having to publicly display the conversation in the users' Twitter stream.

It is proper Twitter etiquette to follow users who follow you, and it is important for businesses to get to know users before approaching them with a pitch. Twitter is an informal arena, and it is in the company's best interest to be sincere, honest, and open. This includes not using any sort of automated functions, such as auto-reply or auto-follow.

BLOGS, RSS FEEDS, AND THEIR MARKETING USES

A blog is a simple, web-based content management system that allows users with little to no technical experience to post and maintain content. Blogs should be frequently updated and written with an informal and authentic voice. They should be written specifically for the niche market that the company is targeting. A company that is interested in starting a blog should hire or designate an employee to maintain the blog. This employee should be a good writer who can create content that is easy to read, relevant to the company, informative, and entertaining. The blog should serve as the company's social media headquarters, with links to all the business's social network profiles as well as the company's website. The worst decision a company can make is to start a blog, leave it unconnected to any of their other websites, and update it only sporadically with poorly written content.

Not all business are well suited for blogging. Before starting a blog, companies should ask the following questions:

- Why do they want to use a blog?
- What is the blog's core message and tone?
- Who will write the blog?
- Is the company prepared to engage in conversation without attempting to control the communication?

If, after answering these questions, a company feels it is well suited for blogging, then it can move forward and decide on a blogging platform. A blogging platform is a website that will host and provide the layout for the company's blog. The majority of blogging platforms are free; some of the notable are WordPress, Movable Type, and Compendium Blogware. To avoid company liability, companies should also create a legally binding blogging policy with posting guidelines for employees.

RSS stands for "Really Simple Syndication," and it provides the groundwork for the Internet. RSS allows content from selected websites to be delivered directly to an RSS reader. As a result, the web user does not have to physically type in and visit the addresses of sites they go to on a daily basis; instead, they can see them all in one window.

Two things are required for RSS to work. First, the website the user wants to include in her RSS must have an RSS feed implemented into it. Second, the user must have an RSS reader. Any website that frequently updates its content most likely has an RSS feed attached to it. To subscribe to an RSS feed, the user just needs to click on the symbol for RSS, which is located on the webpage to which they are trying to subscribe. The symbol for RSS is a small circle with two quarter arches positioned on the circle's upper right side.

ONLINE VIDEOS AND PODCASTS

Videos are affordable and easy to make with the availability of low-cost, high-quality consumer-grade video cameras, such as the RCA Small Wonder. Editing software, such as Camtasia Studios, Windows Movie Maker, iMovie, and Final Cut Pro, are also relatively inexpensive compared to the cost of hiring a professional videographer. Videos appeal to the way people learn, and they can work to a company's advantage in many ways. They can be used for product demonstrations, how-to videos, online video ads, viral videos, and streaming videos (live events broadcasted live across the Internet).

Videos can also be used for podcasting. A podcast is an episodic-type program delivered through the subscriber's RSS feed. Podcasts do not have to be made into videos; many podcasts consist only of audio. They can contain group discussions or single-person monologues on a topic of the podcaster's choosing. Resources for companies interested in podcasting include Audacity, Blog Talk Radio, TalkShoe, GCast, Podomatic and Utterli.

HOW TO UTILIZE SEARCH ENGINES

When scanning for search results, search engines utilize titles, keywords, recent content, large amounts of content, links, videos, and relevance. The Google algorithm interprets the purpose of a site by looking at both the outgoing and ingoing links. As a result, the more links a website has on its page, the more prominently it will be displayed in the search engine results. The same can be said for videos and content; in addition, the more recent the content, the higher the website will rank. It is also important to include keywords frequently in blog posts, social networking profiles, and on the company's website.

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