Social Media Panel Discussion

Theories and Applications of Social Media

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Social Media Revolution

“It’s a people driven economy stupid.”

- Erik Qualman, 2009
On Jan. 7, Richard Barton, CEO of Zillow.com, fired off this Tweet:

“Greg Slyngstad & I are cooking up a consumer internet startup. R U our founding CTO? Seeking smart, passionate team-builder.”

“We were deluged with résumés, It’s the most powerful recruiting tool I’ve ever used.”

They already hired three employees through twitter, including a director of marketing.
Twitter could be a powerful recruiting/job seeking tool.

Unlike email or facebook updates, Twitter can reach unknown audience;

You don’t have to come up with a list of potential candidates: those followers of yours are already interested in you.
Laura S. Kern bought a GPS from BestBuy at 6am on black Friday...
Another NYT Story (Nov 29, 09)

BestBuys' Twelpforce has 2,500 employees, 24-hour access;

In Bloomington, Minn., Mall of America used its Twitter to tell consumers which parking lot is available.
Twitter could be a powerful customer support tool.

The first twitter season;

47% of retailers will increase the use of Social Media in holiday season.
What is So Special about Twitter?

Real-time, nimble (140 characters), and high-reach;

A platform between emails and blogs: instantaneous and real-time like emails;
public and searchable like blogs.

A knowledge base and support group in real-time.
Twitter is a new platform being reconfigured and redefined continuously...
Structure of Talk

1. The changing media landscape and empowered consumers
2. Theories: media laws; the small world phenomenon; the power of network; the strength of weak ties; the long tail theory; rules of online Word-of-Mouth
3. Social media strategies
4. Tracking and measuring outcomes
5. Applications and tools
Changing Media Landscape

Media is getting more fragmented
Struggling newspaper industry
Christian Science Monitor goes online only on Nov, 08;
Total newspaper cir. down 10% compared to last year.

Media is being mashed and remashed (Tivo and iPod)
Allow you bypass commercials and viewed on different media

The popularity of news aggregators

Which half of the advertising budget is not working?
Traditional marketing replies on interruptions...
Consumers Hate Interruptions...

University of London Study showed that:

“An average worker’s functioning IQ falls 10 points when distracted by ringing cell phones or incoming e-mails.”

…more than double the 4-point drop from smoking marijuana...
Changing Media Landscape

The TRUST Factor

All Marketers Are Liars
The Power of Telling Authentic Stories in a Low-Trust World
Going Back to the Word-of-Mouth

Mass Media is a "new" phenomenon with the publishing industry and TV;
Create "Invitation", earn "permission", not "interruption".
A Paradigm Shift

From delivering message to influence the conversation.
Changing Media Landscape

The empowerment of consumers - the low entry of publishing on the Internet

The flourish of citizen media (YouTube, Blogs, and twitter)
Changing Media Landscape

Bloggers trust online blogs more than traditional news sources;

Students trust the corporate blogs the same way as consumer blogs...

The media is the message

---- Mack, Blose, and Pan (2007)
The Cluetrain Manifesto - 1999

powerful global conversation has begun. Through the Internet, people are discovering and inventing new ways to share relevant knowledge with blinding speed. As a direct result, markets are getting smarter—and getting smarter faster than most companies.
The Cluetrain Manifesto - 1999

These markets are conversations. Their members communicate in language that is natural, open, honest, direct, funny and often shocking. Whether explaining or complaining, joking or serious, the human voice is unmistakably genuine.
the Web 2.0
Traffic Estimates for Media Companies

- **cnn.com**
  - Daily Unique Visitors
  - Google Trends
  - Jan 2009 to Oct 2009
  - Visitor count range: 7.0 M to 14 M

- **nytimes.com**
  - Daily Unique Visitors
  - Google Trends
  - Jan 2009 to Oct 2009
  - Visitor count range: 4.0 M to 8.0 M

- **foxnews.com**
  - Daily Unique Visitors
  - Google Trends
  - Jan 2009 to Oct 2009
  - Visitor count range: 1.5 M to 3.0 M

- **online.wsj.com**
  - Daily Unique Visitors
  - Google Trends
  - Jan 2009 to Oct 2009
  - Visitor count range: 1.5 M to 3.0 M
Traffic Estimates for Social Media
Where will the future be?
Different Rules on the Web and Social Network

The long tail theory
Media Laws
Small World Phenomenon
The Power of weak ties
Word-of-Mouth
The Long Tail Theory

By Chris Anderson, Editor-in-Chief of Wired Magazine
Popular Products versus Niche Products
Popular Products versus Niche Products
The Long Tail Theory
Long tail theory

Same with movies...

Our consuming habits, taste, and even culture and taste have been dominated by the bottleneck of distribution channel for too long;

Now it is shifting to millions of niches.
Mass Media: Sarnoff's Law

The value of radio/TV network increases in proportion to the number of listeners

4 => 4
8 => 8
Metcalfe's Law

The value of computer network is equivalent to the square of the number of nodes.

A network of 4: $4^2 = 16$;
A network of 8: $8^2 = 64$. 
Reed's Law

Social network scales exponentially with the size of the network.

A network of 4: $2^4 \Rightarrow 16$;
A network of 8: $2^8 \Rightarrow 256$.

Combining both peer to peer communication and broadcasting.
The Small World Phenomenon

A study conducted in 1967 by Stanley Milgram from Harvard:

60 packages to random selected individuals from Omaha, Nebraska and Wichita, Kansas; pass the package to a target person to Boston, MA.;

Have to forward the package to a acquaintance on a first-name basis.
On Facebook, mySpace, and Twitter

The passing of rumors:
Imaging every one has 5 friends, and they will pass any rumors they heard. After 5 round:

$$3 \times 3 \times 3 \times 3 \times 3 = 273$$

Imaging everyone has 100 friend on Facebook, after 5 round:
$$100 \times 100 \times 100 \times 100 \times 100 = 10,000,000,000$$

The world's population today? 6,800,000,000 estimated as of Feb 2, 2010
The Power of Weak Ties

A study by Granovetter from Stanford in 1973:

Interviewed people and asked: “How did you find your job?”

Kept getting the same answer: “through an acquaintance, not a friend”
The Power of Weak Ties

Weak tie = strong bridge
The Power of Weak Ties

Weak ties => Much less time together => provide new information and new connections => much more effective in job hunting and lead generation
Encourage positive WOM
Encourage WOM

Encourage employee-customer interaction;
Create positive shocking values;
Target opinion leaders - your evangelists.

--- Ltvin, Goldman and Pan (2008)
Takeaways from theories...

Take advantage of the power of self-forming networks and sub-networks;

Reach a large population within a few links;

Reach more of your weak ties;

Release the niche markets of yours;

Target opinion leaders;

Make your message personal, interesting, and shocking.
Social Media as...

1. Customer support tool (BestBuy);
2. Business connections tool (LinkedIn and Facebook);
3. Recruiting tool;
4. Quality monitoring tool (listening);
5. Encouraging online Word-of-Mouth (participating influencing).
Consumer decision making...
Social Media Using Socialgraphics
Socialgraphics asks key questions

1. Where are your customers online?
2. What are your customers’ social behaviors online?
3. What social information or people do your customers rely on?
4. What is your customers’ social influence? Who trusts them?
5. How do your customers use social technologies in the context of your products.
90-9-1 Principle

“In social groups, some people actively participate more than others... Social participation tends to follow a 90-9-1 rule where:“

![Diagram illustrating the 90-9-1 principle]

(cc) Jake McKee & 90-9-1.com
The Engagement Pyramid

- Curating
- Producing
- Commenting
- Sharing
- Watching
One Example...

Use of Twitter, Facebook rising among gang members

By THOMAS WATKINS
The Associated Press
Tuesday, February 2, 2010, 9:14 AM

LOS ANGELES -- When a gang member was released from jail soon after his arrest for selling methamphetamine, friends and associates assumed he had cut a deal with authorities and become a police informant.

They sent a warning on Twitter that went like this: We have a snitch in our midst.

Unbeknownst to them, that tweet and the traffic it generated were being closely followed by investigators, who had been tracking the San Francisco Bay Area gang for months. Officials sat back and watched as others joined the conversation and left behind incriminating information.

Law enforcement officials say gangs are making greater use of Twitter and Facebook, where they sometimes post information that helps agents identify gang associates and learn more about their organizations.

"You find out about people you never would have known about before," said Dean Johnston with the California Bureau of Narcotics Enforcement, which helps police investigate gangs. "You build this little tree of people."

In the case involving the suspected informant, tweets alerted investigators to the earliest warning signs.
Touchpoint Analysis

Carefully evaluate each point of contact between a business and a consumer.
Measurements

Net Promoter Score:

*How likely is that you will recommend my company/property/product to a friend? (1: no way to 10: absolutely)*

9 or 10 are your evangelists; 1-6 are detractors.
# Measurements - Google Analytics

<table>
<thead>
<tr>
<th>Metrics</th>
<th>Interpretation</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Page views, visitor info, blog mentions</td>
<td>Audience and demographics</td>
<td>Who are your audience?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>What are being read?</td>
</tr>
<tr>
<td>Time on site, comments to blog ratio</td>
<td>Audience's involvements</td>
<td>How engaged are they?</td>
</tr>
<tr>
<td>Pass alongs, conversions, Mentions, volumes of searches</td>
<td>Your sales and leads</td>
<td>How effective are the campaigns?</td>
</tr>
<tr>
<td>Positive to negative ratios</td>
<td>Direction of WOM</td>
<td>Are your customers spreading WOM of your products?</td>
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## Tracking: Bit.ly

### Traffic

<table>
<thead>
<tr>
<th>Traffic</th>
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<tbody>
<tr>
<td></td>
<td>Clicks</td>
<td>Referrers</td>
<td>Locations</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Now</td>
<td>Past Day</td>
<td>Past Week</td>
<td>Past Month</td>
<td>Total</td>
</tr>
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### Referrers

<table>
<thead>
<tr>
<th>Referring Site</th>
<th>Click(s) On bit.ly Link</th>
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<tbody>
<tr>
<td>Email Clients, IM, AIR Apps, and Direct</td>
<td>4,271</td>
</tr>
<tr>
<td>twitter.com</td>
<td>67</td>
</tr>
<tr>
<td>twur.li</td>
<td>27</td>
</tr>
<tr>
<td>m.twitter.com</td>
<td>4</td>
</tr>
<tr>
<td>Registered Applications</td>
<td>4</td>
</tr>
<tr>
<td>search.twitter.com</td>
<td>3</td>
</tr>
<tr>
<td>powertwitter.me</td>
<td>2</td>
</tr>
<tr>
<td>hootsuite.com</td>
<td>1</td>
</tr>
</tbody>
</table>

Click [here](bit.ly) to see aggregate bit.ly referrer data for this long link.
Tracking: Customized URLs
Social Media Types/Platforms

Blogs - Building a credible online presence, ready for direct feedbacks;
Twitter - MicroBlogs, real-time, nimble
Facebook and mySpace - Social Platforms, build connections, and recruit your evangelists
YouTube and Flickr - Multimedia, more experiential
Del.icio.us, Digg - Social bookmarking - Sharing of Social Content
List of SM Tools

Social Platforms: Facebook, mySpace, LinkedIn, Plaxo, Ning, Orkut; HootSuite
Social Content: YouTube, Flickr, eBlogger
Social Interaction: Twitter, FriendFeed, Seesmic, Friendster
Social Bookmarking: AddThis, ShareThis, Del.icio.us, Digg

SM Discovery: Technorati, Google Alerts, Twitter search
SM Monitoring: bit.ly, Google Analytics, Blog Pulse, Pipes.yahoo.com, Google Insights and Google Trends, AddThis, ShareThis
Conclusions and Take-Aways

Social media is here to stay and will revolutionize marketing

Find the customers, listen to them, join conversation, and influence

Track outcomes and ROI with a combination of tools
Further Resources
Contacts

bingpan@gmail.com
facebookcom/bingpan
Twitter.com/bingpan
LinkedIn.com/bingpan