Social Media Rule(s)!

Bing Pan, Ph.D.
SMG Training, College of Charleston,
January 27, 2011
Rule #1: Social media represent a paradigm shift in marketing: from delivering message to influence the conversation.
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...
All Marketers Are Liars
The Power of Telling Authentic Stories in a Low-Trust World
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.
Traditional Media Volume

- nytimes.com
  - Daily Unique Visitors
  - Google Trends

- cnn.com
  - Daily Unique Visitors
  - Google Trends
Volumes for Social Media

- **linkedin.com**
  - Daily Unique Visitors
  - Google Trends

- **twitter.com**
  - Daily Unique Visitors
  - Google Trends

- **facebook.com**
  - Daily Unique Visitors
  - Google Trends

- **foursquare.com**
  - Daily Unique Visitors
  - Google Trends
Rule #2: Not all social media were created equal.
the Web

2.0
Social Media Platforms

The Conversation
The Art of Listening, Learning, and Sharing

Brought to you by
Brian Solis and JESS3
Different Usages of Social Media

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

Old Spice
Lonely Girl 15...
Rule #3: Not all your customers are created equal: 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:”

1% Creators
9% Editors
90% Audience

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

- Curating
- Producing
- Commenting
- Sharing
- Watching

Creators
Editors
Audience
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 inculpatory 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 potential warning and the informant's release. They worked together to construct a sting operation and helped to crack the gang's operations.\n\nGREETINGS, BARGAIN LOVER.
Search to find the latest travel deals.

<table>
<thead>
<tr>
<th>Flights</th>
<th>hotels</th>
<th>cars</th>
<th>packages</th>
</tr>
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<tbody>
<tr>
<td>From (city or airport)</td>
<td>To (city or airport)</td>
<td>Departing</td>
<td>Returning</td>
</tr>
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<td>Number of tickets</td>
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<td>Staying class</td>
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*FEATURED ADVERTISER LINKS*
Lawsuit: Yaz Gallbladder, Cochlear Implant (VP), Toyota Recall
Kim Brockovich, Asbestos & Boilers, Lung Cancer, Mesotheleoma
Roll over your old 401(k) to Fidelity Investments.
Get peace of mind now with Equifax ID Patrol.
Social Media Strategies

Similar to cocktail party etiquette or first date:

What are the business goals?
Who to target?
How to find them?
How to listen to them, join, facilitate, and influence the conversation?
How to track your ROI?
Rule #4: Social networks allow you spread WOM exponentially.
The Small World Phenomenon

The passing of rumors:
Imaging every one has 5 friends, and they will pass any rumors they heard. After 5 round:
\[ 5 \times 5 \times 5 \times 5 \times 5 = 3,125 \]

On Facebook, mySpace, and Twitter

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? 6,896,000,000 estimated as of Jan 27, 2011
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: $4^2 \Rightarrow 16$;
A network of 8: $8^2 \Rightarrow 64$. 
Reed's Law

Social network scales exponentially with the size of the network

A network of 4: $2^4 => 16$
A network of 8: $2^8 => 256$

Combining both peer to peer communication and broadcasting
Rule #5: Social networks connect you with your weak ties.
The Power of Weak Ties

Weak tie = strong bridge
Rule #6: Social media help you find your niche market.
The Long Tail Theory
Rule #7: Find the touchpoints which generate the most WOM.
Touchpoint Analysis

Carefully evaluate each point of contact between a business and a consumer.
Encourage WOM with your Touchpoints

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

--- Litvin, Goldman and Pan (2008)
Rule #8: Social media allow you to measure ROI precisely.
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

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<thead>
<tr>
<th>Metrics</th>
<th>Interpretation</th>
<th>Questions</th>
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<tbody>
<tr>
<td>Page views, visitor info, blog mentions</td>
<td>Audience and demographics</td>
<td>Who are your audience?</td>
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<td>What are being read?</td>
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<tr>
<td>Time on site, comments to blog ratio</td>
<td>Audience's involvements</td>
<td>How engaged are they?</td>
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<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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### Traffic

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<thead>
<tr>
<th></th>
<th>Clicks</th>
<th>Referrers</th>
<th>Locations</th>
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<tr>
<td></td>
<td>Now</td>
<td>Past Day</td>
<td>Past Week</td>
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<td>Email Clients, IM, AIR Apps, and Direct +</td>
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<td>hootsuite.com +</td>
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Click ![link](bit.ly) to see aggregate bit.ly referrer data for this long link.
Tracking: Customized URLs

Email Subscribe Confirmation
615 visitors finished | 72.38% funnel conversion rate

- Emails/MotorGuide.html: 830
- (entrance): 41
- MotorGuideCoupons.html: 13
- MotorGuide/visitbguide.html: 8

- 830 proceeded to Email Subscribe Confirmation
- 595 (72%) proceeded to Email Subscribe Confirmation

- 236
- Email Subscribe Page

- Email Subscribe Confirmation: 615
- 72.35% funnel conversion rate
Rule #9: The real #1 rule in SM? Be Interesting! # 2: Be authentic!
Rule #10: Move up the stages!
Stages of Social Media Integration

1. Observe, Listen, and Report

2. Set the stage + dress rehearsal

3. Join the conversation: react, respond, and improve

4. Find empathy and purpose, and define brand and experience

5. Build community and transform businesses

Think big, start small, scale fast!

Del Ross: VP of Marketing, IHG
Contacts

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