

THE SOCIAL REVOLUTION

The widespread use of social media translates into massive marketing potential for companies large and small. But not every venture into this fast-growing arena guarantees success, so it pays to take a measured approach before “going social”.

STORY GRANT ARNOTT

Ten years ago the term “social media” barely existed but today it’s bigger than the World Wide Web itself. Users are in the high millions, representing more than a third of the Australian population, but monetising the medium remains a huge challenge for businesses.

There is no doubt where cyberspace dwellers like to be – in June 2009, digital research firm comScore Inc found that more than 70 per cent of internet users in Australia visited a social networking site, a 29 per cent rise on the previous year. comScore’s study also found that social networking users were ubiquitous across the web, comprising nearly 90 per cent of the audience base of the top internet properties in Australia in June 2009.

The power that social media wield over brands today is undeniable and companies of all sizes are searching for ways to harness this rising marketing force. Some have cracked it. In December 2009, Dell Inc

reported it had generated US\$6.5 million in revenue worldwide purely from the social networking site Twitter.

But while social media have the power to deliver revenues, on the flip side they can do enormous harm to a brand with an ineffective execution. One campaign by Toyota gained widespread media attention in late 2009. The automotive giant launched a campaign via Facebook and Twitter calling for the public to submit a short film featuring a Toyota Yaris, with the best submission earning \$7,000 and the opportunity to feature as a national TV advertisement. However, the eventual outcome was a controversial advertisement that inspired a public backlash and saw Toyota withdraw the ad in its first week on air.

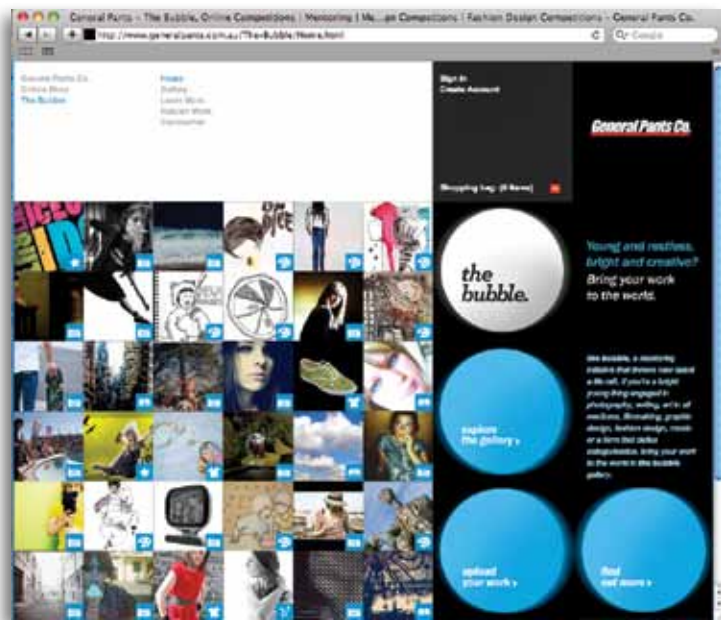
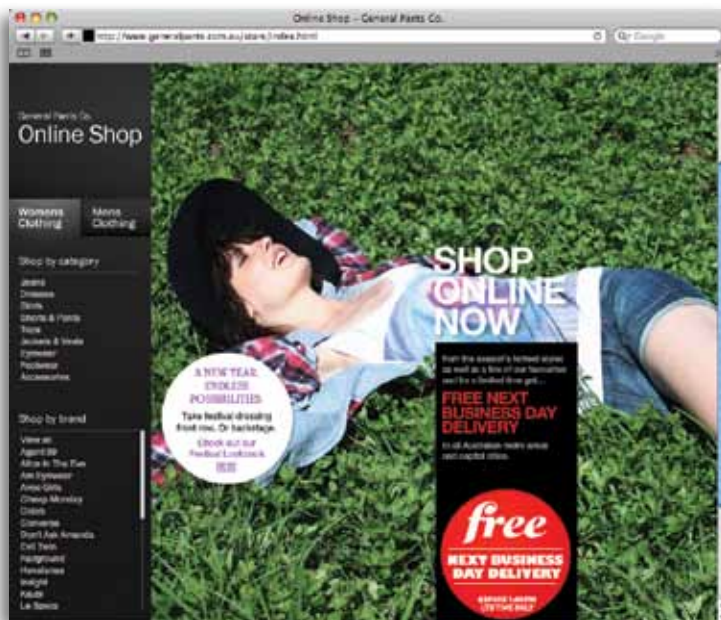
Such is the enigma of social media. It can be dangerous territory for marketers and the impulsive rush to “go social” a year ago is now giving way to a more scientific and strategic approach to the emerging channel.

Social media manager at Optus Sebastian Vasta holds down an increasingly common job that was non-existent in any company just two years ago. Aside from being able to claim he’s “working” while browsing Facebook, Twitter and the like, Vasta is charged with directing what has become one of the most critical areas of the marketing department.

“From the senior management team down, Optus understands the importance of social media,” he says. “It understands that these new social media spaces require a long-term commitment. It’s about going where your customers go and where they’re actually talking about you.”

For Optus, Twitter has become an invaluable customer service tool with a fast-growing audience for its account, @optus.

“We have more than 2,000 followers on Twitter now,” says Vasta. “Since its launch, we’ve seen customers really embracing



General Pants Co. uses social media to converse with its customers. “It’s not a sales room,” says brand manager Jethro Lyons, right. Another of the company’s internet initiatives, “the bubble”, is purely designed to foster creative talent.



“There are few marketing tools where you can speak in open dialogue directly to your customer and have a record of it.”

Jethro Lyons, General Pants Co.

it, and [we’ve] had positive feedback and compliments since day one.”

WHO’S SOCIALISING?

For marketing departments, social media are not an alternative to other channels but an effective and engaging extension of their existing marketing activities.

In some cases, social media are tailor-made for a brand. For GRLmobile, a mobile phone service specifically targeting female youth, they are the centre of its marketing activities.

“Our ‘GRLfrnds’ are always socialising, interacting with each other in many different ways across multiple platforms,” says former founding managing director of GRLmobile Michele Hamdorf. “Very often their social media experience is happening as a direct result of their mobile phone or broadband device’s capabilities, so we have social media-specific deals on some of our handsets. Then we live up to our

promise of being more than just a mobile phone service by creating engaging content across GRLmobile.com/auspost, Facebook.com/GRLmobile, GRLmobile.blogspot.com and You Tube, so that our customers can interact with us directly from their handset or device.”

Hamdorf says GRLmobile has used various social media channels to great effect for value adding, including creating tweets, teasers and blogs before GRLmobile events to give followers the “inside scoop”; uploading photos, videos, music and blogs during and after GRLmobile events; running live chats with its concierge team; and encouraging questions on its Facebook and Twitter sites about service and products.

While the social media strategy works on building the brand and adding value, traditional marketing methods are used to promote offers and drive sales. Social media messages engage customers and

direct them back to GRLmobile sites for more information, plus exclusive content and offers.

“Number one is to engage our audience,” says Hamdorf. “We aim to do this in a way that means something to our customers, so that they, in turn, recommend us to others. Word of mouth and your BFF’s [Best Friend Forever’s] recommendations are the best forms of advertising.

“We focus on creating ‘tribes’ because we know females are tribal – their network of family and friends and the communication they have with them is what matters most in their lives.”

Since launching, GRLmobile’s online subscriber base has enjoyed double-digit growth, and page views at GRLmobile are growing, according to Hamdorf. But the most valuable benefit, she says, is the instant feedback to inform future campaign development.



"The most beautiful thing about social media is that we're getting live results daily," says Hamdorf. "We hear and see what our customers think from their live interaction with us across our media. If they don't like something, they'll let us know."

In retail, as more and more customers drift towards online shopping, the use of social media to create a richer customer experience is increasing in import daily. So much so, it has become priority one for a number of multi-channel and pure-play retailers.

"There are few marketing tools where you can speak in open dialogue directly to your customer and have a record of it," says Jethro Lyons, brand manager at General Pants Co.

"The use of social media, in its simplest form, is really conversation with our customers. It's not a sales room, that's for sure; more like drinking a couple off the wood with friends at a bar ... You don't

"We hear and see what our customers think from their live interaction with us across our mediums. If they don't like something, they'll let us know."

Michele Hamdorf, GRLmobile

want some hotshot salesperson to kill your buzz by intruding to peddle wares. It has to be of added value to one's time and experience on these social sites; a utility, access to information they can't get elsewhere."

General Pants Co. has been raising eyebrows positively in the social media

Michele Hamdorf says GRLmobile's interaction with its customers via social media sites, like the ones pictured right, reaps a number of benefits. "The most valuable benefit is the instant feedback to inform future campaign development."

world with its initiative called "the bubble". Launched in August 2008, its purpose is to build a community to foster creative talent in photography, writing and arts via any medium. The site bears the General Pants Co. brand and links but, instead of selling clothing, it acts as an independent zone for creatives to share work and gain feedback from peers. It also has the potential to provide a commercial outlet for these talents through the General Pants Co. retail network.

"To date, we have used young creatives from the bubble to produce window campaigns, advertising, recruitment campaigns, in-store murals and artwork showcases," says Lyons.

DELIVERING RESULTS

The Holy Grail of any emerging channel for business owners is its ability to deliver tangible, commercial benefits. At the dawn of the internet, businesses struggled to grasp its potential for delivering results, and more than a decade later, many are still doing so.

The social media phenomenon is the same. While some companies like Dell have found a way to marry their social media activity with measurable return on investment (ROI), others are still trying to unravel the mysteries of Facebook, Twitter and the like.

According to Fi Bendall, director of The Bendalls Group and a recognised social media thought leader, social media sites Facebook and Twitter are becoming the Yellow Pages of the internet.

"Everyone is on them," says Bendall. "To truly leverage the social media space requires more thought than just establishing a presence. Social media requires a lot more thinking about content value and content distribution strategies rather than web presence. It's about how information finds 'us' through social nets, as opposed to relying on customers to go to your website or sign up to your Facebook page."

For businesses, this means having great content and some sort of call to action in



order to generate ROI, adds Bendall. "For example, it might be getting the public to join a cause, increase share of voice, shift brand perceptions or increase sales through peer-to-peer recommendation," she says. "There has to be a clear objective. If there's no objective and no call to action, then what's the point?"

More and more applications are showing ways for businesses to generate ROI socially. One of the most exciting new platforms creating a buzz in the social marketing sphere is foursquare.com, which marries content with geographic locations.

"Where Twitter asks what you're doing, Foursquare asks what you're doing and where you're doing it," says Vasta. "It encourages people to check into the physical location where they're engaging in social media via GPS in order to gain preferential treatment. As an example, there are cafes in Sydney promoting free coffee and croissants for frequent visitors via Foursquare."

WIDER IMPACT

If you look at the growth of social media, few would argue they are channels that are here to stay. They're also one of the fastest

changing forms of media in the world, with properties like LinkedIn, Facebook, Twitter and MySpace investing heavily in continuous improvement, plus the great unknown "next big thing" being hatched in caffeine-fuelled IT minds around the planet.

One of the great advantages of social media is their accessibility for any business, large or small. It takes less than 10 minutes to set up a Facebook, Twitter or LinkedIn account, but it's how creative you are in delivering value to customers via those platforms that will determine your social media success.

"There are so many fantastic free tools out there to help people work more smartly," says Bendall. "It doesn't have to be a big resource issue and social media are friendly marketing environments that foster collaboration.

"Social media actually go beyond marketing – they can change organisations because they're not just for customers; they're for staff to use also and say what they like about you in a very public forum.

"Businesses have to be aware of that, use them to advantage and definitely understand the consequences." ■

FIVE TOP TIPS

Entering the social media arena? Arm yourself with these vital tips from Sebastian Vasta and Fi Bendall.

- 1 DO** use social media as a tool for listening to what your customers want. Remember, you have an infinite global focus group called the internet.
- 2 DO** use social media as a customer service tool. It is an increasingly popular channel for engaging with businesses to fix problems, source information and product advice.
- 3 DO** your research first. Spend time finding out what your customers' social eco-systems are at sites like Facebook and Twitter, and consider niche networks. For example, if your target audience is women then before you launch your campaign, research sites such as www.australianwomenonline.com or www.allforwomen.com.au to see how other businesses use them and how customers engage in these social media sites.
- 4 DO NOT** engage social media without a clearly defined strategy. Rushing to have a "presence" without thought for what the marketing objectives and strategies are can be worse than no presence.
- 5 DO NOT** use social media to overtly sell product. Instead, use it to engage customers in conversation and add value to their customer experience – this will ultimately drive the sales you seek.

SITES TO BEHOLD

The list of social networking websites is growing at a rapid rate. Here are some of the best-known websites, along with some that are moving up the popularity charts.

- Facebook:** general
- Flickr:** photo sharing
- Flixster:** movies
- Last.fm:** music
- LinkedIn:** general but mainly business
- MyLife:** locating friends and family, keeping in touch
- MySpace:** general
- Spotify:** music
- Twitter:** general, micro-blogging, RSS, updates