Social Media...Good for Business?

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Thesis 1: This is not Al Gore’s Internet
The Web has gone Social

1995

Today

You Tube
Broadcast Yourself
Social Web 101

Three Forces have Aligned

1. *People* want to connect and create
2. *Technology* is the global enabler of scale
3. *Economics* have changed the funnel, its about influencers

New Customer Funnel

Adapted from Forrester Groundswell 1:9:90 model

1 person writes a blog post or tweets

9 people read/comment or link back to other sites

90 people read from multiple sources across the web
Thesis 2: Humans have changed faster than Business
1.3 BILLION PEOPLE have a voice
It is a Global thing

- 20% of China population is online, 2 years ago 10%
- I have a Voice: Universal appeal is ability to learn, share, explore beyond my local network
- Customers not waiting for products to reach them, instead search/find and make decisions

(source: Internet World Stats)
Thesis 3: Your company’s message is noise
Less people are listening to your messages

65% of all marketing spend in 2007 had NO EFFECT on consumers

Source: Fournaise Marketing Group’s 2007 Global Marketing Effectiveness Report
Trust in companies is at an all-time low

Edelman Trust Barometer 2009

United States

2001 2002 2003 2004 2005 2006 2007 2008 2009

44% 44% 48% 51% 48% 49% 53% 58% 38%

20-point drop

Edelman Trust Barometer 2009
Too many messages
Thesis 4: Humans value Relationships; Businesses value Transactions
We measure what we value

<table>
<thead>
<tr>
<th>Revenues</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery Income Delivery and Backyard</td>
<td>$33,750.00</td>
</tr>
<tr>
<td>Backyard Delivery (Curb to Backyard)</td>
<td>$4,500.00</td>
</tr>
<tr>
<td>Curbside Delivery</td>
<td>$6,750.00</td>
</tr>
<tr>
<td>Spa Sales</td>
<td>$41,250.00</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$86,250.00</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor Cost</td>
<td></td>
</tr>
<tr>
<td>Operator Labor/ Temp Help</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Overhead</td>
<td></td>
</tr>
<tr>
<td>Fixed Cost</td>
<td></td>
</tr>
<tr>
<td>Loan Repayment 3yr $8,666@10%</td>
<td>$3,355.56</td>
</tr>
<tr>
<td>Rent</td>
<td>$600.00</td>
</tr>
<tr>
<td>Business Licenses</td>
<td>$120.00</td>
</tr>
<tr>
<td>Insurance - Prop. &amp; Cont</td>
<td>$1,200.00</td>
</tr>
<tr>
<td>Telephone</td>
<td>$1,200.00</td>
</tr>
<tr>
<td>Internet Access</td>
<td>$300.00</td>
</tr>
<tr>
<td>Gas</td>
<td>$1,500.00</td>
</tr>
<tr>
<td>Bank Service Charges</td>
<td>$228.00</td>
</tr>
<tr>
<td><strong>Total Labor and Overhead</strong></td>
<td><strong>$15,203.60</strong></td>
</tr>
</tbody>
</table>

**Net Income** | **$71,046.40**
Thesis 5: Social is not just for Marketing
### Social touches every department (almost)

<table>
<thead>
<tr>
<th>Department</th>
<th>Objectives</th>
<th>Strategies</th>
<th>Metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D</td>
<td><strong>Listening</strong>: Gathering customer insights as input for innovation</td>
<td>• Brand monitoring</td>
<td>• Insights gained</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Research communities</td>
<td>• Usable product ideas</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Innovation communities</td>
<td>• Faster development speed</td>
</tr>
<tr>
<td>Marketing</td>
<td><strong>Talking</strong>: Using conversations with customers to promote products</td>
<td>• Communities &amp; social networks</td>
<td>• Better market awareness</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Video &amp; Blogs</td>
<td>• Word of mouth</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Influencer recognition</td>
<td>• Increased sales, revenue</td>
</tr>
<tr>
<td>Sales</td>
<td><strong>Energizing</strong>: Identifying passionate customers and bringing them closer</td>
<td>• Social networking sites</td>
<td>• Community membership</td>
</tr>
<tr>
<td></td>
<td>to the sales process</td>
<td>• Evangelism programs</td>
<td>• Word of mouth</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Communities</td>
<td>• Increased sales, revenue</td>
</tr>
<tr>
<td>Customer</td>
<td><strong>Supporting</strong>: Enabling customers to answer or solve one another’s questions</td>
<td>• Support forums</td>
<td>• Number of participants</td>
</tr>
<tr>
<td>support</td>
<td>or problems</td>
<td>• Communities</td>
<td>• Volume of questions answered, self service</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Third-party outreach</td>
<td>• Decreased volume of support calls, costs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Influencer recognition</td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td><strong>Managing</strong>: Providing employees with tools, access to collaborate with</td>
<td>• Social networks (internal/external)</td>
<td>• Number of participants</td>
</tr>
<tr>
<td></td>
<td>each other and customers, partners</td>
<td>• Communities</td>
<td>• Increased operational efficiency</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Guidelines &amp; playbooks</td>
<td>• Decreased email volumes</td>
</tr>
</tbody>
</table>
What can a company do?

1. Listen
2. Engage
3. Tell YOUR Story
4. Collaborate with Stakeholders
Dell case study

2005
Dell didn’t know how to react; so we did nothing

Jeff Jarvis & “Dell Hell”

2006
Customer Satisfaction and Brand Sentiment in negative territory

2007
Dell Finally Takes Action

Results
Customer Satisfaction: 56% to 74%
Negative Brand Sentiment: 49% to 22%

BusinessWeek
Jeff Jarvis: Dell Learns to Listen

Customer Svc
Marketing
PR
What about small business?
Bacon Salt is a fat free, zero calorie, low sodium, vegetarian, Kosher, seasoning salt that makes everything taste like bacon. If you’re like most people, you love the taste of great bacon. We, like you, also love bacon.

Members
Displaying 8 of 6,686 members

Angel Gainey Eicher
Jeff Allen
Anne Tiller
Crayton Silsby
Amanda Richardson
Christopher Carfi
Robin Dixon
Brice Roberts

http://www.baconnaise.com
http://www.baconsaltblog.com
Follow us on twitter: www.twitter.com/baconsalt
http://www.youtube.com/user/baconsalt
http://www.twitter.com/baconsalt
http://www.myspace.com/baconsalt
http://www.flickr.com/photos/baconsalt

Admins
- Reilly Devine (J&D's Bacon Salt)
- Dave Lefkow (J&D's Bacon Salt)
- Kara Gibson (Seattle, WA)
- Justin Esch (J&D's Bacon Salt)

Events
1 upcoming event
dave's qvc appearance moved to 2:20pm est. ellen degeneres will be selling dogfood at 3pm est in case you're interested.

@BillCorbett – what is it with mst3k alums and bacon? we love you guys.

Dave will be on qvc slinging sammiches and potato salad on sat at 1pm est. Live studio audience. Baconnaise and Bacon Salt.

10:53 AM Apr 17th from TwitterBerry
Get started with green energy

GoGreenSolar.com is the #1 online destination for solar panels, wind turbines, LED lights, and energy efficiency. We provide products, services and financing to get your green energy projects done.

GoGreen 1.3kW Micro Grid Station
$9,999.00

Customer Reviews

5 stars

by RatePoint Reviewer
the customer service was fine and the product seems excellent too, the only s...

by RP
Product works as advertised, very pleased. Only suggestion is maybe clarify ...

by Richard
Excellent service, and product. Very helpful tracking an invoice my company I...

See more
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6 social principles

1. Social Media is a means to an end, not a solution
2. The act of being “social” requires you to give first and expect nothing in return, this rubs some of us the wrong way
3. Human beings still value relationships, Social Media can put relationships on a steroids program
4. Technology is an enabler, not the solution or substitute for relationships
5. Marketing has always been about conversations, the mediums did not always support it
6. Change Management is necessary to operate social media alongside rest of the enterprise, not to replace it
Parting thoughts

IF YOU TALKED TO PEOPLE
THE WAY ADVERTISING
TALKED TO PEOPLE, THEY'D
PUNCH YOU IN THE FACE.

© Hugh McLeod

- Human Beings talk with each other – a conversation
- Traditional business communications are a one way communication – easy to ignore
- Social Web opens up ability to have conversations – to participate, and to be relevant
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