

4TM Social Media

Briefing Note: Social Media and its Impact on Business

Prepared by: David Sim and Rene Looper, January 2009

Horizon Scotland, Forres, IV36 2AB

T: 01309 678100 E: enquiries@4tm-services.com W: 4tm-services.com

"It is difficult, indeed dangerous, to underestimate the changes this revolution will bring or the power of developing technologies" - Rupert Murdoch

What is Social Media?

Internet web usage has changed from being mainly a 'read-only' resource (Web 1.0), to a very interactive 'read and write' communication tool (Web 2.0). Social media is about conversation and community: people communicating and sharing information and personal experiences on-line, rather than simply consuming information.

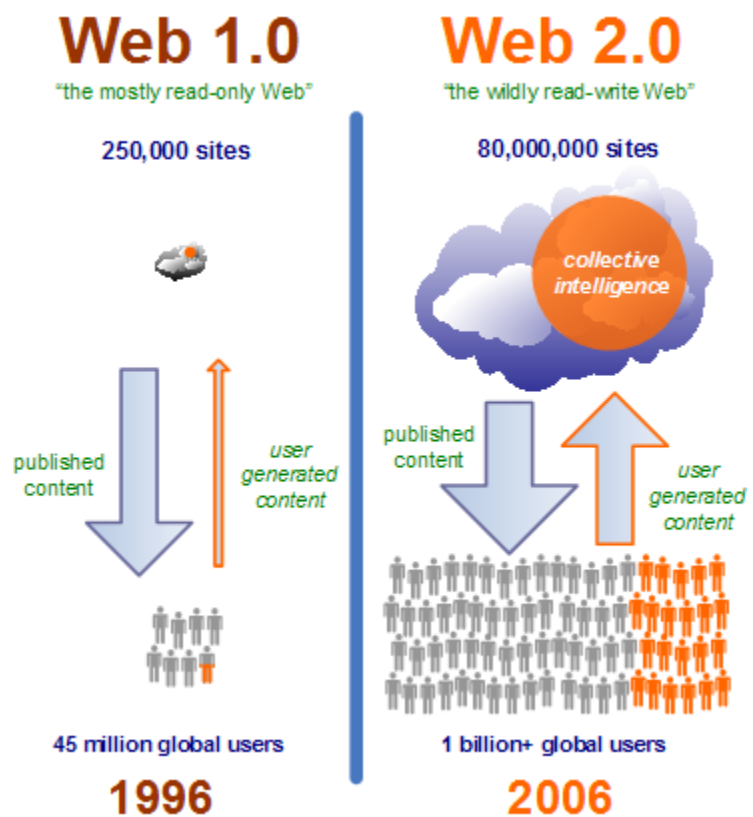
Anyone with an Internet connection can write about a product or service and recommend - or reject - it to others.

Impact on Business

14% of people trust advertising

74% of people trust reviews or recommendations from peers

Source: Nielsen Media Research



This shift from consuming information to generating it is fundamental. It is also not something businesses can opt out of. These comments, reviews, videos and discussions take place in environments outwith an organisation's control. For example, a visitor can add a review of a hotel to TripAdvisor, even if the hotel hasn't registered their business there.

It's easy to understand that there is commercial value in being mentioned on these user generated content web sites, the importance of being aware of how your brand or business is being portrayed and the need to correct erroneous content. Social media web sites with this type of consumer generated content get millions of hits **every day** and are among the most popular sites on the Internet, far more so than corporate sites.

Businesses need to consider being where their customers "hang out", rather than expect customers to come to them.

Social Networking Sites

Social networking sites have seen phenomenal growth over the past few years, both in terms of the number of sites and their use. Social networking sites are online communities who share the same interests, activities or are connected through friendship or family. Users create their own profile; the sites provide tools to facilitate information flow and connections to be made.

Facebook is currently the most successful networking site, and has recently introduced services which make it easier for businesses to build communities, both within Facebook and also on their own web sites where communities of Facebook users can interact. It has grown from 100 million users in Q3 2008 to 150 million users in 2009. Other sites include MySpace (mostly used for music), Bebo (a younger demographic than Facebook), WAYN (Travel), LinkedIn (Professional).

Review sites

Review sites are used to share experiences regarding a product or a service they have received, for the benefit of others. Sites include Qype (consumer reviews), TripAdvisor (tourism and travel), Brownbook (business listings and reviews). Qype has around 6 million visitors a month, TripAdvisor around 15 million a week.

Blogs

A blog (which is short for web log) is an easy to maintain web site with regular postings - originally intended as an online diary or news page. Adding content to a blog is commonly called 'blogging'. Many blogs provide commentary or news on a particular subject and these may be relevant to target customers of a business. Business can create their own blog - often as a source of less corporate and more personal information - and / or develop

relationships with pre-existing bloggers. The ability for readers to leave comments in an interactive format is an important part of many blogs, and is a key difference with most corporate web sites. Blogs are more about starting conversation than serving information.

Micro-blogging is an emerging type of blogging, that consists only of very short posts, similar to SMS text messages, except a single message can reach tens of thousands of "followers". Twitter is the most popular example of this. Many businesses use Twitter to provide customer support and product updates.

Forums

These are online discussion sites where people post questions or comments on a certain topic and other users contribute with personal and independent advice. Forums are usually focussed on one subject or topic and are a good source of information for anyone looking for solutions and tips. They are well used and favoured by search engines. There are many forums on the net - for **any** product type or service there will be an online forum somewhere! There is therefore the potential for businesses to be discussed on the web, with or without their involvement, and for businesses to provide helpful information - without active self promotion. These sites are very popular and businesses in their own right: Moneysavingexpert, for example, is read by over 5 million people in the UK every month.

Video & Photo sharing sites

The most popular social media site is YouTube, seen by around 84% of web users and receiving 100 million visits every day. Businesses use the site with varying degrees of success - putting a corporate video on YouTube is unlikely to excite many viewers. However, the fun "Will it Blend" series of videos by Blendtec has reached millions of viewers and had a significant, positive impact on awareness and sales.

Flickr is a highly successful photo sharing site, enabling imagery to be shared. It can also be a useful source of photographs for businesses, although these should only be used with the photographers permission, unless otherwise licensed.

About 4TM

4TM provides support and assistance on social media: from one off seminars through to development and management of a social media strategy. Please contact us for more information.

This work is licenced under the Creative Commons Attribution 2.5 UK: Scotland License. To view a copy of this licence, visit <http://creativecommons.org/licenses/by/2.5/scotland/> or send a letter to Creative Commons, 171 Second Street, Suite 300, San Francisco, California 94105, USA. We have endeavoured to ensure that the information provided is accurate at the time of writing. However, we recommend that professional advice be taken from 4TM or another social media specialist when developing a social media strategy.