

Business Person's Guide to **Online** **Social Networking**

Social networking has become so much a part of today's world that Oprah Winfrey is on Facebook, Barack Obama has a Twitter account, and you can become a "fan" of ABC on MySpace. If you have been asked to connect with someone on LinkedIn, or can't make head or tail of a business card with nicknames for all kinds of online services, then this white paper is for you.

What Is "Social Networking"?

Social networks refer to groups of individuals or organizations that are connected in one or more ways, such as through friendship, kinship, values or even financial exchange. These social networks have always existed, but they were often hard to maintain. Differences in geographical location, lack of time or simple human laziness resulted in people drifting in and out of their social networks.

The Internet revolutionized social networks by giving them a platform that made it simple and easy for people to connect with each other. Social networking has since taken on a different meaning and is usually thought of in conjunction with social networking sites. These sites allow people to connect and form virtual communities much like their physical social networks. But while those social networks were constrained by space and time, online social networking opens up many more possibilities.

Get Connected

With a new social networking site popping up every other day, it is easy to feel overwhelmed. The following four sites that we highlight have established themselves and may prove useful in your everyday life and career.

FACEBOOK

According to comScore, Facebook is the second most-trafficked social media site in the world, with more than 80 million active users. Although it started out as a social networking site exclusively for college students, it has since opened its doors to anyone, and those 25 years old and older are actually the fastest growing demographic.¹

Once you sign up for a Facebook account, you can start to “friend” people. The networks that you can join based on your geographical location, college or work history make it easy to find old friends from home or school, and past and present colleagues.

Facebook is used mainly as a personal social network, with the level of interaction being casual, friendly, and sometimes playful. It is a great way to reconnect and keep in touch with friends.

LINKEDIN

LinkedIn focuses on professional relationships, and boasts “an online network of more than 20 million experienced professionals from around the world, representing 150 countries.”² According to Nielsen Online, LinkedIn has the fastest year-on-year growth of the top ten social networking sites – a whopping 361% from April 2007 to April 2008.³

LinkedIn’s philosophy is that “relationships matter.” When you create your LinkedIn profile, you should fill up your professional accomplishments as accurately as possible. Providing such information will help you find and be found by colleagues, clients and business partners.

Connecting with the people in your business network will not only help you find potential clients through your contacts but also potential job opportunities. As such, LinkedIn is not the place to randomly “connect” with people, but more to establish relationships with trusted business contacts. Keep the level of interaction at LinkedIn at a professional level.

MEETUP

Meetup specializes in bridging the gap between online and offline. It is the world’s largest network of self-organized clubs and community groups, and believes that despite the power of technology to connect people, there is still a certain synergy when people meet face-to-face.

1 Facebook, Facebook Statistics, <http://www.facebook.com/press/info.php?statistics>, accessed July 8, 2008.

2 LinkedIn, About LinkedIn, http://www.linkedin.com/static?key=company_info&trk=hb_ft_abtli, accessed July 8, 2008.

3 Caroline McCarthy, “Nielsen: MySpace, Club Penguin growth static, LinkedIn soaring,” The Social – CNET News.com, http://news.cnet.com/8301-13577_3-9948219-36.html, May 20, 2008.

After signing up for a Meetup account, you can search for Meetup groups based on your area of interest and/or your country and zip code. When you find a Meetup group that you are interested in, all it takes is a simple RSVP and you are good to go. Groups span both the personal and professional worlds with Meetups like “Suburban Backgammon Lounge,” “Chicago French Expats” and “Real Estate Investing.”

Meetup connects people who share the same interests but would otherwise never have known each other. Taking it a step further, Meetup facilitates a real world meeting of these people that helps solidify and grow these relationships – “real groups make a real difference.”

NING

Ning recognizes that social networking sites are not “one-size-fits-all” and thus allows you to create your own social network. The site has been steadily growing in popularity: it now has 3 million visits in the U.S. every month.⁴ In fact, Ning recently passed the 200,000 social networks mark, and more significantly, 70% of these user-created networks are active.⁵

Although creating your own social network sounds fairly intimidating, Ning makes the process easy and painless. To begin, all you have to do is choose the name of your social network and customize the URL. After that, it is only a matter of choosing how you want the site to look and what features you want it to have. In less than five minutes, you can create your very own social network.

Ning harnesses the benefits of a virtual community to achieve specific goals. For example, you can set up a social network to exchange parenting tips or a social network that is exclusively for alumni, where members can interact with each other in a safe and secure environment.

Social Networking Etiquette

Before you begin “friending” everyone on Facebook or “connecting” with anyone on LinkedIn, there are a few things you need to know.

PURPOSE

Different social networking sites serve different purposes. Facebook, for example, is a good place to connect with friends, old and new. Interaction on Facebook is more casual – you can poke someone or give people virtual gifts. However, at LinkedIn, coworkers write references for each other or introduce business contacts to each other in a professional manner.

Every social network serves a different purpose – make sure you understand the nature of the social network before engaging in any (potentially embarrassing) activity through it.

4 Quantcast, Web Site Audience Profiles from Quantcast, <http://www.quantcast.com/ning.com>, accessed July 8, 2008.

5 Marc Andreessen, “Ning passes 200,000 social networks,” blog.pmarca.com, <http://blog.pmarca.com/2008/03/ning-passes-200.html>, March 16, 2008.

RELATIONSHIPS

Relationships are the currency of social networks. While some people use social networking sites like Facebook to randomly connect with people they hope to become friends with, most people do not appreciate such behavior – especially on sites like LinkedIn. Part of what LinkedIn offers is the opportunity to be introduced to someone through a mutual friend; trying to “connect” with a total stranger is generally frowned upon.

Relationships that are made public on social networking sites are meaningful (though they may mean something different on different sites). You should think twice before establishing the connection.

PRIVACY

Most of the time, privacy settings on social networking sites can (and should) be adjusted to your comfort level. Otherwise, information that you provide on these sites is generally available to the public. One consequence is that you have to decide how much information about yourself to reveal – the level of disclosure may differ from one site to another. The other is that you should respect the privacy of others and refrain from posting anything potentially harmful.

Online privacy is a heavily debated issue. With few government regulations, you should be aware of the tools and options you have to manage your level of privacy.

Can Social Networking Really Help Your Business?

The social networking phenomenon has had considerable impact on business in general and marketing in particular. With massive amounts of people flocking to social networking sites and staying there much longer than on other websites, businesses naturally want to leverage and monetize those eyeballs. However, the Facebook Beacon fiasco⁶ made it clear that people are not ready for Big Business to invade the “privacy” of their social networks.

As a result, permission marketing has become a prominent issue – marketers should allow customers to opt-in (i.e. consciously choose to participate) rather than only offering the choice of opting-out (i.e. including customers in a program until they indicate their disinterest).

Companies that have been more successful owe it to the seamless integration of their product with the context.

⁶ Facebook Beacon was launched in 2007 to enable customers to share their online activity at other sites with their Facebook friends. For example, if you rent a video at a Blockbuster store and have Facebook Beacon enabled, an update of your latest movie rental will automatically be posted on Facebook. The controversy arose because Facebook Beacon was originally opt-out instead of opt-in.

Many advertisers have also tried to crack the social networking code and failed. In hindsight, their downfall was mainly due to the irrelevant and blatant placement of advertisements on social networking sites. Instead, companies that have been more successful owe it to the seamless integration of their product with the context. For example, BMW created a car racing game for Facebook where friends can compete against each other in BMW cars. It tapped into existing social interactions, seemed natural, and did not have “Sponsored by BMW” plastered all over it. That said, measuring the return on investment for this kind of marketing is an ongoing challenge.

Even so, Forrester’s Global Enterprise Web 2.0 Market Forecast predicts “enterprise spending on Web 2.0 technologies will grow strongly over the next five years, reaching \$4.6 billion globally by 2013, with social networking, mashups, and RSS capturing the greatest share.”⁷ But companies should note that social networking is not for everyone. It should only be leveraged when doing so is in line with the company’s business goals and strategy.

Moving Forward

Social networking has come a long way but is still constantly evolving. Every day, new developments and new social networking sites help to redefine the social networking scene.

NICHE NATION

Niche social networking sites target specific audiences. These sites are able to customize their functions and provide users with exactly what they are looking for. Advertisers also stand a better chance of achieving conversion on these sites. Examples include:

- » Goodreads (<http://www.goodreads.com>) for avid readers
- » Babbel (<http://www.babbel.com>) for those interested in learning a new language
- » Pet Crash (<http://www.petcrash.com>) for pet lovers

MICROBLOGGING

These days it seems that simply establishing a connection with others is not enough. People want to know what you are doing – right now. Microblogging, made popular by Twitter, is one of the fastest growing social networking spin-offs. The concept has gained some traction – companies (e.g. Zappos) are using it for customer service and presidential candidates even held a debate over Twitter. Some popular microblogging sites:

- » Twitter (<http://twitter.com>) answers the question “What are you doing?”
- » Plurk (<http://www.plurk.com>) lets you publish your life sentence by sentence
- » Tumblr (<http://www.tumblr.com>) allows you to post anything in bite sizes

7 G. Oliver Young et al., Global Enterprise Web 2.0 Market Forecast: 2007 to 2013, <http://www.forrester.com/Research/Document/Excerpt/0,7211,43850,00.html>, April 21, 2008.

AGGREGATION

With the proliferation of social networking and social media sites, the need to organize and consolidate everything in one place became evident. Similar to the development of aggregators for RSS feeds, social media aggregators have popped up. Some examples:

- » FriendFeed (<http://friendfeed.com>) keeps track of all your friends' activities
- » Plaxo (<http://www.plaxo.com>) serves as the FriendFeed for business people
- » Swurl (<http://www.swurl.com>) helps you aggregate your own activity across the Web

Where Are You Now?

As mobile phones become increasingly sophisticated with 3G technology and built-in GPS, social networking is migrating to the mobile platform. One obvious feature of mobile social networks is the ability to know exactly where someone is at that moment. They also allow more interaction between people and their physical environments (e.g. the ability to explore places recommended by friends). The growing list mobile social networks include:

- » Brightkite (<http://brightkite.com>), a location-based social network
- » Loopt (<http://www.loopt.com>), your social compass on your mobile phone
- » Limbo (<http://www.limbo.com>), a popular mobile entertainment community

Your Next Step

The social networking scene changes every day. New players enter the field while old ones either innovate or lose popularity. At a personal level, it is important for every professional to begin to explore various social networking sites. At a business level, social networking, and any other social media for that matter, should be seen as a long-term investment. Leveraging them requires a paradigm shift from controlling the conversation to being a part of the conversation, and they should only be used if they are in line with the company's strategic goals.

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