Mixing
business with
pleasure

NIKE'S DOING IT. NUTELLA'S DOING IT. DELL ALMOST DIDN'T DO IT, BUT IS NOW MAKING UP FOR IT. DOVE'S DONE IT AND DONE IT WELL. THESE COMPANIES ARE SOCIAL NETWORKING FOR BUSINESS – THE NEW, HOT (AND SOMETIMES TRICKY) ONLINE TREND. BY **BIANCA WRIGHT**

SOCIAL NETWORKING sites allow users to generate and share content. Most people associate sites such as Facebook and MySpace with social networking, but the term can be more broadly applied to blogs, photo-sharing sites such as Flickr, and cellphone social media sites like MXit.

"Facebook and LinkedIn are just examples of an entire online movement that is encouraging dialogue – from telling people about products on websites to opening discussions about things that matter to us all," says MWEB's Product Development Manager, Kelly Ledger.

The application of social media in business runs the gamut from recruitment to marketing and has the potential to be a vital component of business strategy. Internationally, businesses are certainly taking note: 59% of respondents to a Prospero Technologies survey in 2007 indicated that social media performance that year met or exceeded their marketing objectives. This boosted their future spending expectations: 31% of the respondents planned to spend significantly more on social media applications this year.

The benefits can be significant. According to Ramon Thomas, a South African social networking and online behaviour expert at NETucation, the chief benefit is that the real-world social connections between people in the business can become visible. "Unless we know each other very well and spend time with each other's friends, we may never know who else we know or, indeed, whom we have in common as business associates or connections," Thomas says.

Online brand guru and founder of Cosmedia, Gino Cosme says that, from a research perspective, organisations can use social sites to collect detailed information about users, monitoring what they do even with competitive brands, in a much more cost-effective way than in traditional media.

Cosme hightlights the importance of using social networking as an early warning system, monitoring anything that could become an issue. Eliciting feedback and tapping into conversations about a brand are also important – both from a positive and negative point of view. He warns that organisations that network online must be aware that they are opening themselves up to a lot of negative criticism. "The question is how do we tap into that and engage with it? Call it online reputation management or social media monitoring, it's about tapping into the power of the social media voice," Cosme says.

The social networking trend has highlighted an important shift in thinking, from telling customers what they want and attracting interest through emotional appeal, to engaging and involving customers in decision-making. "Blogging is an essential part of social networking and offers the benefit of opening discourse between supplier and consumer," says Ledger.

She cites the example of Springleap, a South African T-shirt manufacturer which encourages the public to design T-shirts and vote for those they would like printed. "It's great to know the demand, and, therefore, how many of your products you need and have basically sold before you even get to printing," Ledger says. "It allows real-time feedback from your customer base before you start selling."

But the model is not new. Car manufacturers Peugeot and SEAT have used social networking to allow aspiring car designers to propose new designs. Social networking makes this level of engagement possible and enables businesses to adopt a two-way communication model with their customers, suppliers, investors and other stakeholders.

The problem is that not all businesses are ready. Traditional corporates bring their huge bureaucracies with them into social media, which are very dynamic and flexible. "If [companies] are not prepared for it, how do we manage that process?" asks Cosme. "They want to have control and approach the conversations online in a very traditional PR manner. Users notice conversations that are not genuine. It's no use approaching it as a PR exercise. Be realistic and imagine talking to your consumers as though they were sitting across the desk from you."

One of the biggest advantages of social networking is that it allows businesses to listen – whether they want to or not. "The pitfall for businesses is that they ignore the conversations

their clients are having," says Thomas. "They are also ignorant of the feedback from existing clients, who directly influence potential clients with their honest and sometimes exaggerated claims. So it is vital that businesses keep their finger on the pulse."

Businesses are often also concerned about other potential pitfalls of social networking use – both by themselves as organisations and by their individual employees. Decreased productivity as a result of increased social media use, privacy, security, attacks on reputation and the lack of a way to measure return on investment, rank high on the list of concerns.

Employees can also fall foul of the negatives of social networking because more and more employers are using Google, Facebook and MySpace to track down the history of potential employees. "You only have to ask graduate students in the US how damaging social networking can be when searching for employment. Advice? Keep your personal networks closed to your friends and it doesn't matter how rough you're feeling after those martinis and canapés at a social function last night, don't tell your LinkedIn group about it," says Ledger.

Another issue, according to Cosme, is that businesses do not often associate any results or metrics to their social networking efforts. "Companies need to start looking at return, whether it be financial or branding, and measure that."

Social networking users can be fickle, too. And online interest may not necessarily translate into offline results. Thomas knows this from personal experience. "I failed trying to organise a breast cancer fund raiser in 2007 because nobody who booked on Facebook came to the actual event or bothered to apologise for not arriving," he says.

Some companies get it right, though, and reap the benefits. Thomas cites two South African examples. Local lad's mag, *FHM*, has a Facebook group with more than 3 400 members who actively discuss every photo shoot, and many of their articles and letters are published in the magazine.

"The benefit here for *FHM*? Free testimonials from readers and the magazine can attract new readers – and, better yet, subscribers – who can sign-up without the publishers doing any kind of traditional advertising," says Thomas. "This is the way word of mouth is created – in an open environment that can be risky because there are very few controls that exist."

Another excellent example, Thomas says, is Ivok Studios, which has more than 3 200 members. Owners Matt Raven and Chanti Oosthuizen are very active on the Web through their website (www.ivok.co.za). When they moved their focus to Facebook, however, their business exploded. "One of the reasons is that Facebook has the biggest photo-hosting website in the world, bigger than Flickr or anything else. So this environment is particularly conducive to their industry."

REJECTION REACTION

Let's face it. Social networking tools can cause headaches for management: from a loss of productivity to the abuse of resources, not to mention uncontrolled access to potentially sensitive information. Many organisations have shut down their employees' use of social media sites on company resources. David Lavenda, Vice-President: Marketing and Product Strategy at WorkLight, says that organisations typically adopt one or more of the following approaches:

→ **Raise the drawbridges** – Forbid the use of consumer technologies in the workplace. According to a Yankee Group study, 35% of end users report that their IT department had blocked the use of a third-party collaboration tool.

→ **Ignore the phenomenon** – Do nothing to prevent or guide the use of consumer technologies in the workplace. A prime example is the use of instant messaging tools at work. In the Yankee Group study, 65% of respondents report that their adoption of unsanctioned collaboration tools has gone unchecked by IT. This is probably the most widely adopted (and most dangerous) approach in effect today.

→ **Provide enterprise 'look-a-like' equivalents of consumer services** – Companies try to introduce enterprise-grade software and services to 'compete' with consumer tools. Some examples include company home pages, instant messaging tools and social networking software. Attempts to adopt these 'private collaboration spaces' have mostly failed.

→ **Allow (and even encourage) limited use of consumer tools**, subject to corporate policies. This is the most forward-looking policy, although it has not been widely adopted yet.

There's no single correct way of approaching the use of social media by employees, but the reality is that ignoring these tools will be detrimental – eventually.

LOADS OF LINKS

You know Facebook and MySpace. Here are a few more of the wide variety of options available to social networkers.

→ **LinkedIn** www.linkedin.com – the granddaddy of business-specific social networks.

→ **Hi5** www.hi5.com – similar to Facebook and MySpace.

→ **Friendster** www.friendster.com – a friend reunion online.

→ **Ning** www.ning.com – allows you to create your own social network without the need for programming skills.

→ **BlueWorld** www.blueworld.co.za – a South African social community popular with teenagers.

→ **Plaxo** www.plaxo.com – recently relaunched and aimed at being a contact platform for business and individuals.

→ **MyGenius** www.mygenius.com – a South African social network for SMEs.

SIX STEPS TO NETWORKING

If you've missed the social networking revolution, here are some tips from Charles Senabulya, Director: Software Group at IBM Sub-Saharan Africa:

1 Sign up for a Facebook or LinkedIn account. You'll see what the fuss is all about and find yourself reconnected with an old school chum or a long-lost friend within 48 hours. Check out the news feeds. It's like getting a menu of your friends' thoughts, activities, likes and dislikes. Now imagine that power translated to your business. Look at some of the groups that are relevant to your business. You'll be surprised what people are already saying about you and what products and services they're recommending.

2 Monitor and participate in blogs that are relevant to your markets and products. You might just be able to answer a question on a blog or forum from a prospective customer that tips the balance in your company's favour.

3 Decide what kind of social network you want to create. Facebook and MySpace, for example, enjoy worldwide popularity. There are social networks on just about every topic you can imagine, from dog-ownership to commercial printing to law students. An internal social network can also become a way to connect your employees.

4 Identify your business' goals and develop a pilot audience for your network. Then identify your 'connectors' and 'salespeople' – the individuals in your organisation who can act as evangelists for your network.

5 Dedicate resources and encourage the communication that can help your network flourish. Keep your target audience well informed about the good and the bad.

6 Assess your results. This is not a step to be taken lightly. The idea is to make your social networking presence into one that your target audience cherishes as a valuable resource. Conduct focus groups and surveys. Track the volume of use, and find out what value your users are deriving. Never be afraid of making improvements.

IMAGES GETTY IMAGES

BIG NUMBERS

The popularity of social networking speaks for itself. Here are some of the big numbers involved

→ LinkedIn has over **25-million** users worldwide and over **50 000** in South Africa.

→ MySpace logged **110-million** unique visitors in January 2008, up **15%** from 2007; **Facebook** logged over **100-million**, up **305%**. According to marketing research company comScore, Facebook overtook MySpace as the top social networking site in the world in April this year. (In February 2008, Facebook had **66-million** subscribers, with a rate of **250 000** new subscribers a day.)

→ Facebook's unique audience in the UK grew by over **7-million** in one year – from about **1-million** in January 2007 to over **8.5-million** in 2008.

→ According to Facebook's official records, organisational personnel make up a large number of subscribers – for example, **30 000** employees from Microsoft, **33 000** employees from IBM and **20 000** employees from Accenture.

→ The single largest-growing Facebook demographic is people over the age of **25**.

→ According to comScore, social networking grew **25%** from July 2007 to July 2008. Facebook grew **153%**, MySpace **3%**, Hi5 **100%** and Friendster **50%** in the same period.

→ Regionally, use of social networking has grown by **66%** in the Middle East–Africa region, **35%** in Europe and **33%** in Latin America – all well above average rates.

→ Photo Sharing on Facebook is the top photo-sharing application on the Web, according to comScore, drawing more than twice as much traffic as the next three sites combined, with more than **24-million** photos uploaded daily.

Choosing the right social networking tool is important. Mark Gray, head of HR recruitment and technology company, Graylink, says that companies have to look at social networks on a market-to-market basis, per country, as each country has its own preferred tools. "For example, Beebo is huge in France but not that well-known in South Africa.

"A lot of the success of a social network has to do with hype," Gray says. "MySpace has grown very effectively across many markets, especially in the US. It's also about critical mass. If all your friends are on one platform, it's pretty hard to move them."

Recruitment objectives require different functionalities to, for example, marketing objectives, and this is important. While Facebook may be the largest globally, it may not always be the right choice. Businesses should ask what makes one social network more popular than another. As Ledger points out, "It's all about appeal, usability and support. Social networks are either designed to be small and localised – like www.ning.com where you can set up your own network in minutes – or large and addictive like Facebook. All are successful to a larger or smaller degree depending on intent. But finding a way, like Facebook, to become a multi-million dollar online social space is a mixture of technical know-how and virus-like pervasiveness."

And many businesses tend towards what Cosme calls the 'copycat syndrome'. "Corporates tend to sit on the sidelines, watch what their competitors are doing, then adapt it and do it. Never say because that company has a blog, I need a blog."

The examples of those who failed to heed this advice are numerous. Retail giant Walmart has just launched its third attempt at a blog. One of their first ones was on MySpace and they ended up closing the group after just three months.

Cosme says there are two reasons they failed miserably. Firstly, they tried to control the message of that campaign, which backfired because bloggers took notice of that and the result was numerous negative wall-post comments. Secondly, they did not tap into peer-to-peer contact. "They were tapping into the medium, but weren't engaging with the way consumers wanted to use it. They were screening all content," he says.

Another example is Xerox, which launched a campaign around how Xerox helps with day-to-day business processes. They used viral marketing and social media, and created viral ads, but the problem, says Cosme, is they lost sight of the core of the medium and never allowed consumers to tap into that and upload their own videos.

Despite these negatives, it is clear that social networking is a business tool that cannot be ignored. And the future is set to yield even more possibilities. Thomas predicts that the future of social networking and the Web 3.0 will be a super-local, super-niche and super-focused user experience. "Personalisation is the key ingredient to this wedding cake we are calling online social networking," he says.

See you on LinkedIn/Facebook/MySpace! □

SOCIAL RECRUITMENT

It is no secret that the skills shortage presents companies with the challenge of finding highly talented staff with specialised skills and the correct culture for their organisation. For now, the large pool of resources offered by social networking sites are typically being used by recruiters or potential employers as an insight tool into a particular individual, says Inez van Aswegen, General Manager of Network IT Recruitment.

Social networks offer job seekers great opportunities for personal branding, getting their profiles established on blogs and social messaging utility, Twitter, with the type of conversation they're having online, giving employers a good idea of what they're about, says Mark Gray, head of HR recruitment and technology company, Graylink.

"Different platforms can be used for different dialogues. For example, directing employers to LinkedIn, which has a very good question and answer section and can build a candidate's personal brand."

Gray says that companies can also engage with job candidates in different ways. Facebook and LinkedIn's advertising platforms allow you to segment the database according to specific search criteria. On Google, companies can serve news based on different keywords, getting candidates to click through to the company's website with paid-for advertising, as well as promote natural search with high web-page rankings.

Here are some tips and tricks from Inez van Aswegen on how both employers and prospective employees can maximise the benefit of social networking in recruitment situations:

FOR THE EMPLOYEE

→ Take the time to get to know the site – evaluate your contribution and make an informed decision on your exposure levels.

→ Once familiar with the site, consider creating a business profile page that would be available for 'open' viewing.

→ Update your business profile as often as possible.

→ Inform your recruitment agencies of this available resource and encourage them to use it.

→ Keep your social portfolio private – there are security processes that can ensure your private page is viewed only by friends and family.

→ Remember that social networking is an extension of your personality and is accessible to a wide online environment.

FOR THE EMPLOYER

→ Make your analysis with the intention of this site in mind – that it is social.

→ Maintain close discussions with your recruitment agency in terms of obtaining detailed characteristics. Any reputable recruitment agency will conduct thorough investigations around character and job fit to ensure a successful candidate is observed.

→ As a business, create a profile and a group that people can join. This is an ideal way of introducing the company to skilled, potential employees who would be interested in the particular nature of the group.

→ Take note of the people who have joined the group and provide these names to a recruitment agency that can begin the headhunting process.

→ Despite the 'insider' benefits that social networks can provide, remember that nothing can replace face-to-face interaction.